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THE DIFFERENCE

Aridor makes bid to unseat Shamir

By DAVID LANDAU,
ASHER WALLFISH
and MICHAEL YUDELMAN
Jerusalem Post Reporters

Vice Prime Minister Yitzhak Shamir let it be known yesterday that he would consider bringing his summer dispute with other Herut leaders to a showdown at the party's central committee unless the sniping against him ceased.

His most outspoken detractor, on the other hand, former finance minister Yoram Aridor, demanded that the central committee set an early date for party elections to choose a new leadership. Aridor is chairman of the Herut secretariat. Shamir suffered something of a setback at the cabinet meeting yesterday when Deputy Premier David Levy, who has been supporting the anti-Shamir camp, blocked the appointment of deputy ministers requesting a seven-day deferment of the issue.

Shamir reportedly intended proposing two of his close party contacts, Michael Dekel and Ronni Milo, to the key posts of deputy defence minister and deputy foreign minister respectively.

Last night, sources close to Shamir said he was still determined to go through with these appointments, despite the opposition of half of the Knesset faction.

Ministers David Levy and Ariel Sharon and eleven other Herut Knesset members have written to him demanding that MK Elhanan Elissar be appointed deputy defence minister.

The sources said Shamir is confident he has the support of at least 60 per cent of the Herut central committee against the combined forces of Levy and Sharon.

He believes he cannot back off without suffering an intolerable loss of his authority and leadership. He feels, too, that a pitched battle at this time, ending in his victory, will put paid to the challenges against him for a considerable time to come.

[Aridor made the call for internal party elections yesterday at a meeting of Herut activists and heads of branches.]

In an unprecedented attack on Shamir, Aridor contrasted him with Menachem Begin, accusing him of "nationalism, lack of Jewishness, and failure to consult his party colleagues."

Recalling Shamir's unfulfilled promise to appoint him a minister, Aridor said Shamir is not a leader of Begin's status. "Begin was not a leader of one group; he symbolized the unity of the entire movement. Everyone could talk to him and he listened. We must see to it, at the central committee meeting, that Begin's heritage is brought back to the movement," he said.

Other activists charged Shamir with acting as though he were Herut's only leader and called for an end to the Dekel and Milo tactic.

In a Gali Zahal radio interview, Aridor called unequivocally for

"collective leadership. If Shamir can reach compromise agreements with Peres, why can't he reach them with Sharon, Levy and others in Herut?" David Levy made no public statement, but in comments conveyed to the radio and television he reportedly criticized Shamir for his "autocratic" leadership of the party.

Sources sympathetic to Ben-Elissar said that if either an open or a secret ballot is held by Herut central committee today on Ben-Elissar's appointment, two thirds of the committee members will vote for him. The sources noted that Ben-Elissar, formerly ambassador to Egypt, chairman of the Knesset Foreign Affairs and Defence Committee and director-general of the Prime Minister's Office, is considered an expert on defence.

Several Herut sources yesterday blasted Shamir for ignoring Levy and Sharon's opinions and appointing Haim Coria as minister instead of Yoram Aridor. "What Begin never dared to do - ignore colleagues' desires - Shamir has dared to do. How can he afford to do so? He will surely pay for it," one source said.

However, this source said, Shamir will lose now no matter what he does: to appoint Dekel as deputy defence minister will strengthen the ferment against him by Levy and Sharon; to appoint Ben-Elissar will be interpreted as succumbing to pressure.

"Dekel as deputy defence minister is a bad joke. He's an illiterate peasant," the source said. "Rabin doesn't want him either, but prefers Ben-Elissar, with whom Rabin can work."

The source speculated that Rabin could easily neutralize Dekel and no one would break up the coalition because of it.

A third candidate, whose chances seemed to grow dimmer yesterday, was La'am's Ehud Olmert. Olmert said yesterday that he was waiting for word from Shamir concerning his candidacy for deputy defence minister. He noted that La'am had been promised a minister's position by Shamir, and when that promise was broken he was then promised a senior post.

Rabin himself is being careful not to interfere in any way in the Herut tussle over the deputy defence slot. He has made it clear to Herut leaders that he will accept whichever candidate they eventually decide on.

Regarding the demand for internal elections in Herut, party sources say that even if the central committee sets a date, it will not be till spring 1985.

One strong card that Shamir seems to hold is the near-certainty that a change in the Herut leadership will mean the downfall of the national unity government.

Labour's commitment to this government, and to "rotation" of the premiership half-way through its term, is predicated explicitly on Shamir's remaining Likud leader. Any new Likud leader will require, under the terms of the coalition agreement, endorsement by Labour if the unity arrangement is to continue.

Katyusha fired at IDF in South Lebanon

Jerusalem Post Reporter

METULLA. - A Katyusha missile was fired at an Israel Defence Forces outpost at the Batei Shalom border crossing yesterday, in one of four attacks against the IDF in South Lebanon in the past 36 hours.

There were no Israeli casualties in the incidents.

Israeli soldiers who conducted searches found two Katyusha launchers about one kilometre north of the border crossing.

In another incident, a roadside charge exploded while an IDF patrol was travelling three kilometres south east of Al-Kelala, in the central sector of South Lebanon.

In the eastern sector, a grenade and light arms were directed at an IDF tank travelling south of Lake Karoun, and a mine detonated under an IDF armed personnel carrier two kilometres south of Jib Jenin.

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The Editors

9% DEVALUATION 9% MORE FOR FUEL

BULLETIN:
A 9 per cent devaluation of the shekel and a similar rise in the price of fuel were announced last night by the Treasury. The move came following a full day of economic consultations within the cabinet and with the Histadrut leadership.

The representative rate of the shekel today will be IS396.86 to the dollar.

The Treasury also announced that it will continue its policy of regularly adjusting the exchange rate to the rate of inflation, and that yesterday's move was a special one-time action.

Finance Minister Yitzhak Moda'i warned his cabinet colleagues that the public is continuing to buy large amounts of foreign currency, and this fact apparently convinced him to make some rapid move on the shekel.

According to figures released yesterday in the Bank of Israel's report on the means of payment, the public purchased more than \$130 million in August, following a \$600m. purchase in July.

The report's figures also show that since the beginning of the year, the public purchased over \$1.6b. in foreign currency, almost double the figure for the same period the previous year.

As of midnight last night, 91 octane petrol costs IS181 per litre, 96 octane petrol costs IS214 per litre, and diesel fuel costs IS151 per litre.

1st weekly cabinet meet 'orderly and to the point'

By ASHER WALLFISH
Post Knesset Correspondent

The new national unity cabinet held its first weekly session yesterday and cabinet members old and new came away impressed by the "responsible attitude" manifested by all those who spoke. The Jerusalem Post was told last night.

One new minister confided: "The discussion, principally about the economic measures, was orderly, brief and to the point. The remarks of those who took part bore no relation to their party affiliation. The premier, Shimon Peres, kept things well under control throughout. There were no unpleasant surprises. If it carries on like that, our national unity government will be a great thing."

The national unity government came into existence around midnight on Thursday.

Acting cabinet secretary Michael Nir told reporters later: "On the basis of my 20 years experience in the cabinet secretariat, I can say that today's session was a very good one. The ministers showed a cooperative spirit and a willingness to go half way to meet each other."

The only discordant note, and a brief one at that, came when Deputy Premier David Levy asked for a postponement of the item on the agenda about the appointment of deputy ministers.

Some ministers present assumed this was because of the candidacy of Ronnie Milo as deputy foreign minister. Others assumed it was because no proposals for deputy defence minister were in the list. Those aware of Levy's role in challenging Shamir's authority in the Herut party realized that both factors motivated Levy simultaneously.

UN's Urquhart in mini-Mideast shuttle

Jerusalem Post Reporter

UN Undersecretary-General Brian Urquhart is to meet this morning with Foreign Ministry Director-General David Kimche to discuss options for an expanded Unifil role in South Lebanon following Israel's withdrawal from the area.

Urquhart arrived yesterday in Jerusalem for a brief stopover prior to his departure later today for Beirut and Damascus, where he is scheduled to meet government leaders.

Upon his return to Jerusalem from Damascus on Wednesday, the senior UN official, who is in charge of all UN peace-keeping operations, will meet with Prime Minister Peres.

On Thursday he is scheduled to confer with Defence Minister Yitzhak Rabin as well as with Chief of General Staff Moshe Levy. Urquhart is also

due to hold meetings with Vice Premier and Foreign Minister Yitzhak Shamir and former defence minister Moshe Arens with whom he has maintained close contact during the past 18 months.

Urquhart's meetings in the region at this point could have an important impact on Israel's withdrawal plans from Lebanon. Last night Urquhart and his senior adviser Jean-Claude Aime were the dinner guests of UN-200 Chief of Staff Lt.-General E.A. Erskine at UN Headquarters in Jerusalem. Kimche, Tat-Aluf Dov Sion, and senior Foreign Ministry officials were among the guests.

TV man may be named Peres's media aide

Post Diplomatic Correspondent
Israel Television's ace political reporter, Nissim Mishal, may be named Premier Shimon Peres's media aide, sources close to Peres confirmed last night.

The sources said the choice was between Mishal and Ha'aretz senior editor Matti Golan, who wrote a recent biography of the Premier.

Another imminent appointment in the premier's bureau is that of Dr. Nimrod Novik, a noted academic researcher, as political aide.

Under the Labour-Yahad agreement, the director-general of the prime minister's office will be Avraham Tamir, who until now has been secretary-general of Yahad.

Portugal may open resident embassy

Post Diplomatic Correspondent
Portugal's Prime Minister Mario Soares has reiterated his pledge to Premier Shimon Peres to establish a resident embassy in Israel when Peres became premier.

Soares sent a message repeating this promise through the chairman of his Socialist Party faction in the Portuguese parliament, Jose Luis Nunes, who called on Peres in Jerusalem yesterday.

Peres in response invited Soares to visit Israel soon.

Kessar will cooperate if all share the burden



Talks on economic recovery get underway yesterday in Jerusalem with the participation of (clockwise from left) Histadrut Secretary-General Yisrael Kessar, Prime Minister Shimon Peres, Deputy Minister David Levy, Economics Minister Gad Ya'acobi and Finance Minister Yitzhak Moda'i.

By AVI TEMKIN
Post Economic Reporter

Histadrut Secretary-General Yisrael Kessar yesterday rejected proposals for reducing the cost-of-living increment in a meeting with Prime Minister Peres. Finance Minister Moda'i and other members of the new national unity government's economic team.

According to labour federation sources, the Histadrut is willing to accept some addition to the tax burden if it is distributed fairly throughout the population. But the Histadrut will not accept a reduction in the Co-L allowance as proposed by the Treasury economic plan. The Treasury proposes a 10 per cent reduction in the compensation.

Kessar declined to make any detailed comments after the meeting, but said that the Histadrut thinks that all citizens should bear their share of the economic-recovery programme. Later the sources said that Kessar had used this viewpoint to stress that he would not accept workers being penalized through a reduction in their wages.

The government team in yesterday's talks is to meet again today to determine its position in future meetings with the Histadrut leadership. The composition of the team was changed at the last minute during yesterday's cabinet meeting when Peres decided to include Construction and Housing Minister David Levy, Economics Minister Gad Ya'acobi is the fourth member of the team.

Both Ya'acobi and Moda'i stressed that the meeting was only a preliminary session, designed to give each side the chance to express its views on the ways to heal the economy.

The government team hopes to reach an understanding with the Histadrut on a package deal that will include a wage and price freeze simultaneous with the efforts in the cabinet to slash government spending by \$1 billion.

The participants in yesterday's meeting asserted that certain conditions must be fulfilled before a wage-price freeze can be imposed. According to economic observers these conditions refer to a cut in salaries, which the Treasury sees as a vital part of its plan to reduce inflation.

Moda'i, Ya'acobi to decide on cuts

By AVI TEMKIN

The government budget will be slashed by \$1 billion, the cabinet decided yesterday at its first meeting. The details of the cut will be decided during the week by Finance Minister Yitzhak Moda'i and Economic Coordination Minister Gad Ya'acobi after meeting with the other ministers.

The cabinet decided to meet again later this week to hear the details of the proposed cut. Formally it was decided that the team deciding on the cuts will also include Prime Minister Shimon Peres and Vice-Premier Yitzhak Shamir - a step taken to give the team the needed authority.

During the debate Moda'i told the ministers that in recent days the public has been buying more dollars.

Moda'i said after the meeting that his plan calls for reducing the standard of living to what it was in 1982. "That was a very high standard of living, as everyone can remember."

The four-man team is empowered

to decide on the budget cut without cabinet approval. But it is unlikely that cuts will be imposed if several ministers object, so the cabinet will be consulted during the week. During yesterday's meeting Peres told the other ministers that he will leave for the U.S. in two weeks and that economic steps must be decided on by then.

According to economic observers, Peres, Moda'i and Ya'acobi wish to use the government "honeymoon" to take economic steps quickly with minimal opposition.

But Labour and Social Affairs Minister Moshe Katzav, Construction and Housing Minister David Levy and Education and Culture Minister Yitzhak Navon already hinted at yesterday's meeting that they have reservations about cuts.

Levy told the cabinet that the cuts should not create a danger of unemployment. Katzav warned that public opinion would not approve an economic plan that hurts the poorer sectors of the public.

Navon said it is impossible to implement an across-the-board cut in every ministry's budget. Definition of priorities should precede budget cuts, he added.

Defence Minister Yitzhak Rabin also referred to priorities, saying settlement must be cut back before tanks and planes.

Government sources say the cabinet is still undecided on cutting subsidies for basic commodities. The plan drafted by the Treasury under former finance minister Yigal Cohen-Orad called for slashing some \$500 million in subsidies and welfare payments, but some ministers oppose the move.

But Finance Ministry officials doubt that \$1 billion can be cut from the budget without touching subsidies.

"They might decide to take \$300m. to \$400m. from somewhere else, but it's very unlikely that the ministers will accept such a solution when their own ministries are involved," Treasury officials said.

Netanyahu becomes Israel's UN ambassador

By DAVID LANDAU

Binyamin Netanyahu, 35, is to be Israel's new permanent representative at the UN. His appointment, proposed by Vice Prime Minister and Foreign Minister Yitzhak Shamir, was approved unanimously by the cabinet yesterday.

Netanyahu, for the past 2½ years minister at the Israel Embassy in Washington, will take up his duties in New York in time for the UN General Assembly later this month. Shamir will fly to New York early

next week to head Israel's delegation to the Assembly.

Netanyahu, brother of the Entebbe hero, the late Yonatan Netanyahu, was wooed from the business world into the foreign service by the then-ambassador to Washington, Moshe Arens, and it is believed in political circles that recent pressure by Arens on Shamir secured for his young protégé the prestigious UN appointment.

Observers note, though, that Netanyahu, a fine speaker and suc-

cessful communications-media personality, is well suited for the UN post in which public appearances and *hasbara* (information) are of prime importance.

One disappointed hopeful in the race for the UN job is Foreign Ministry legal adviser Elyakim Rubinstein. Shamir met with him on Friday, shortly after returning to the ministry from the Prime Minister's Office, and assured him that other key foreign-service posts awaited him in the future.

Role of security services raised in Jewish terror trial

By DAVID MANDEL
Jerusalem Post Reporter

The extent of the General Security Services (Shin Bet) operatives' advance knowledge of the alleged Jewish terrorist underground's acts emerged as a major issue yesterday as the trial of 20 defendants resumed following a long recess.

The issue was raised by defence lawyers when a preliminary request that the Jerusalem District Court order the state to forward at least some information about GSS undercover operations was turned down, making an appeal to the Supreme Court likely by later this week. It was raised again, in cross-examination of the first three prosecution witnesses, when it was established that the GSS had clearly been on top of events during the bus-bombing attempts last April that led to the suspects' arrest.

For reasons still unclear, GSS agents present when police explosives experts arrived at the booby-trapped buses in East Jerusalem tried to dissuade sappers from defusing the bombs, stressing there was "no immediate danger."

Yesterday's session of the main trial, the first since before the courts' summer recess, was subdued compared to earlier sessions. Though the courtroom on Salah a-Din Street was

crowded with reporters and relatives of the accused, it was not overcrowded.

As before, the defendants were permitted to mingle freely with lawyers, family and friends.

There were no objections to the presence of Darwish Nasser, the lawyer sent by deposed West Bank mayors wounded by car bombs allegedly placed by some defendants, who was observing the proceedings on behalf of his clients. At a previous sitting, there were shouts and a walkout against the "PLO attending the trial."

Chief prosecutor Dorit Beinish agreed, pressed by senior Judge Ya'acov Bazak, to supply the defence identifying information - though not the real names - of Shin Bet personnel recently added to the list of prosecution witnesses.

But the refused to strike from the list of witnesses three of the original defendants who have already pleaded guilty. Beinish denied defence lawyer Dan Avi-Yitzhak's allegation that in plea-bargaining deals they were promised that they would not be called.

Avi-Yitzhak objected that those charged with plotting or placing bombs in the mayors' car, even those whose attempts were foiled, are being held responsible for all the

bombs placed that day in spring 1980. Beinish, confirming this, stressed that the acts were part of a conspiracy, and thus those involved were collectively responsible.

The court upheld the prosecution view on the disputed points.

Avi-Yitzhak said it was clear from the nature of the arrests and interrogations that the security services had been intimately involved in observing, and possibly participating in, the alleged conspiracies. Immediately upon their arrest nearly five months ago, he noted, the suspects were questioned about events dating from before last year's attack on the Islamic College in Hebron. And since that attack, for which six defendants face murder charges, the GSS had advance knowledge of their activities.

Avi-Yitzhak asked the court to force release of some of the classified material relating to this matter. He said he would immediately appeal against a rejection to the Supreme Court, and asked for a halt in proceedings until this was done.

The judges rejected the request, saying that it was not in their power to rule on a certificate of classification.

In a final preliminary argument, Avi-Yitzhak alleged that defendant Yeshua Ben-Shoshan had been en-

ticed into telling all he knew about the plot to blow up the Temple Mount mosques by a man who identified himself as the head of the GSS. The man had promised the matter would be dropped and no one would be charged in connection with it. He said that the GSS man was merely head of operations for Jerusalem and the West Bank, but his promise nevertheless should be kept.

Beinish categorically denied any

such promise had been made, and, lacking written evidence, the court accepted her version. Again, the defence said it would apply to the Supreme Court.

Towards noon, Beinish began introducing the prosecution's case. Anticipating defence attempts to introduce evidence on the defendants' motives in "taking the law into their own hands," she stressed that since

(Continued on Page 2, Col. 6)

To our readers

Following the unprecedented rise in the August price index and in line with all the other morning papers, we are compelled to make a further small price adjustment. From today, our prices are as follows:

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THE WEATHER

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SOCIAL & PERSONAL

The Nessim Gaon Creativity Prize has been awarded to the journal *Pe'amin*, published by the Ben-Zvi Institute for the Study of the Oriental Jewish Communities together with the Education and Culture Ministry's Centre for the Integration of Oriental Jewish Tradition.

ARRIVALS

Simone Blum, chairwoman of the Alya American Society for Handicapped Children in Israel, for talks with members of the board of the Alya Orthopedic Hospital and Rehabilitation Centre, Jerusalem.

Egypt to propose Mid-East initiative

CAIRO (AP). - Egypt will soon launch a new Middle East peace initiative aimed at bringing all concerned parties to the negotiating table. Foreign Minister Esmat Abdel-Meguid told Egypt's parliament yesterday.

In a policy statement before a joint meeting of the parliament's national security, foreign and Arab affairs committees, Abdel-Meguid said the new initiative "aims at crystallizing new ideas that would have the initial approval of all parties and on the basis of which they would participate in the negotiations."

Abdel-Meguid said contacts with parties directly involved in the Middle East conflict would start "immediately," but gave no hints on the contents of the Egyptian ideas.

He said the "starting point" was to resolve different aspects of the Palestinian problem with "active participation of the PLO."

Emotional moments as new ministers step in

By AARON SITTNER
JUDY SEGEL
AND GREER FAY CASHMAN

New ministers took over from outgoing officials yesterday with speeches, modest ceremonies and, in at least one instance, with a surprising announcement.

Moshe Katav (Likud-Herut) took over from Tami Aharon Uzan at the Labour and Social Affairs Ministry by announcing that he will be away from his office one day a month - to work at manual labour.

"Having heard about this phenomenon of unemployed people shunning manual labour," Katav

HOME NEWS

NEWS BACKGROUND/Roy Isacowitz
Histadrut has clear priorities

TEL AVIV. - The Histadrut enters the "package deal" negotiations with the government with a well-prepared programme and clear priorities. Unlike the government, which has not had time to formulate a comprehensive economic plan, the labour federation has spent the past few months preparing itself for what Histadrut Secretary-General Yisrael Kessar described yesterday as "a new chapter" in the country's economic management.

The Histadrut's programme is contained in a neat little pamphlet entitled *Principles for Economic and Social Understanding*. The pamphlet was issued in July, after intensive discussion in the various Histadrut forums and with the approval of the labour federation's central committee and executive. It encapsulates the Histadrut's approach to the economy in the 1980s.

The programme is predicated on full employment and a fair sharing of the economic burden. The Histadrut maintains that it is the natural inclination of governments to lay the burden of economic reform on the most defenceless sector of the economy - the workers. Other sectors, though smaller numerically, are better organized and have far more political muscle, leading to the "temptation" to punish the workers, Kessar says. While recognizing that a price will have to be paid for economic recovery, the Histadrut insists that everyone share the price equally.

According to Kessar, workers paid 45 per cent of all taxes in 1975-1976, but pay 65 per cent today. It is the Histadrut's intention to reverse that trend. The situation, says Kessar, is both unhealthy and unjust.

Kessar derides the notion that economic problems cannot be solved without unemployment. From a purely social viewpoint, he says, it is unacceptable. Unemployment is like a brush fire - it spreads uncontrollably.

Kessar met last month with former finance minister Yigal Cohen-Orgad and presented him with a 12-point plan for staving off unemployment. That plan, which was barely discussed by the two sides, is likely to be central to the discussions that began yesterday. It rests on reciprocity - the export market must be expanded to the same extent that the local market is reduced, and every worker who is laid off in the services must be rehired in production for export.

The Histadrut's willingness to enter into a package deal will depend to a large extent on the government's acceptance of the bulk of the labour federation's anti-unemployment ideas. If they are not accepted, Kessar has pledged to take an "independent stand" in the interests of the workers.

Kessar does not much like the term package deal. He says it is too loaded with connotations in the public mind and is too limited a concept

in the eyes of the country's economic managers. He prefers to use the term "social understanding," which is neutral enough to cover a wide variety of subjects.

The Histadrut's programme for "social understanding" is an ambitious document. It runs the gamut of employment, prices, wages, productivity, taxes, the state budget and more. If it were accepted in full by the government - and that is highly unlikely - it would make the Histadrut partner to almost the entire range of economic decision-making. Kessar does not expect such an outcome - but he does expect to see a radical change of government priorities along the lines suggested by the Histadrut.

Only when the Histadrut is satisfied that every effort is being made to guarantee employment, that independent and capital are being taxed to the same extent as salaried workers, and that export industries are being encouraged will it agree to the essence of a package deal - a freeze on prices and wages.

With Labour and the Likud sitting in the same government, and with Histadrut elections next April at the latest, Kessar is making an effort to present an independent image. The Histadrut will become the opposition, in effect. The national unity government will not receive preferential treatment from the Histadrut, Kessar says. Government and Histadrut will have to relate to each other on the basis of quid pro quo.

Beersheba protesters demand salaries

BEERSHEBA (Itim). - There was a rowdy demonstration outside the municipality here yesterday morning, as municipal employees protested that they had not received their August salaries. Mayor Eliahu Navi supported their protest and told them that, even when they received their money, he did not want them to return to work until the basic problems of the town had been solved.

The Beersheba municipal debt is 152 billion and Navi wants it cancelled. He has asked Prime Minister Shimon Peres to meet with him and the heads of other local authorities in the Negev about the grave problems facing the entire region. The heads of other local authorities came to the municipality yesterday to express their solidarity with Navi.

They supported his demand that Beersheba be recognized as a regional capital giving services to the whole region and not just to its own residents. Navi threatened to cut off water and electricity supplies to government offices in the town.

After speaking to the demonstrators, Navi went to the local police station to demand the release on bail of two members of the municipal workers' committee who had been arrested for organizing the blocking of the approach roads to the town. Municipal employees spilled refuse and set it alight as part of the protest.

Many municipalities are also facing financial crises, including Tel Aviv, Haifa, Petah-Tikva and Safad.

Navi has appealed to Tel Aviv Mayor Shlomo Lahat to permit Beersheba's 12th-grade pupils to attend Tel Aviv high schools so that their matriculation (*bagrut*) studies shall not be harmed by the municipal strike. Agreeing to the request, Lahat suggested that the Beersheba pupils receive home hospitality from their Tel Aviv classmates to avoid long daily journeys to class. (Itim)

Sea officers keep freighter from docking

By DAVID RUDGE

Jerusalem Post Reporter
HAIFA. - The Marine Officers' Union warned yesterday that it will prevent foreign-registered freighters contracted by the government from entering Haifa Port unless the government gives a written commitment to use Israeli-manned ships in the future.

The warning was contained in a telegram sent by the union to government offices and to Histadrut Secretary-General Yisrael Kessar. American ships would be exempted from the action because they have a special agreement with the government to deliver grain.

Harbour pilots, acting on instructions from the union, prevented a Turkish-registered ship, the North Transporter, from entering the port on Saturday evening. The ship, loaded with 23,000 tons of grain ordered by the Industry and Trade Ministry, was still locked out of the port last night.

In its telegram the union protested the chartering of ships manned by foreign crews by a government ministry to import grain from abroad when 400 Israeli sailors are unemployed.

The union's action has provoked concern among Israeli shipping companies who believe that foreign unions may take reprisals against Israeli ships.

Peres: Labour, Likud want peace talks

Jerusalem Post Reporter
Prime Minister Shimon Peres said last night that, although there were differences between Labour and Likud regarding the road to peace, they agreed to call on the neighbouring countries, starting with Jordan, to start peace dialogue.

Peres was speaking to United Jewish Appeal leaders at Binyamin Ha'uma in Jerusalem, here to launch the annual UJA campaign. He lauded the decision to start the campaign in Jerusalem - the first time it had been done in the organization's 45 year history.

The prime minister said that Israel would not have been able to achieve as much as it had without the active participation of U.S. Jews. He won applause for his quip that Israel was the only country which remained pro-American after receiving U.S. aid.

Rabin asked to reopen Nablus university

NABLUS (Itim). - The heads of A-Najar University here have asked Defence Minister Yitzhak Rabin to permit the immediate reopening of the institution, which was closed a few months ago by the Judea and Samaria civil administration.

The university was closed after it hosted a show on PLO history that included pro-PLO slogans and other material liable to incite. The university heads placed their request with civil administration personnel, and intend along with other Arab personalities in the areas, to request a meeting with Rabin to discuss the affairs.

Peres meets Defferre

Jerusalem Post Reporter
Prime Minister Shimon Peres yesterday invited French President Francois Mitterrand to visit Israel. Kol Yisrael radio reported. The invitation was extended when Peres met France's Planning Minister Gaston Defferre in Tel Aviv.

Defferre, who is also mayor of Marseille, was in Israel for a visit to Haifa, which has a twinning agreement with Marseille. Peres told reporters that he hoped his "personal friendship" with Mitterrand would benefit Israel-France relations.

Mekorot hopes Nehamkin can solve its debt problems

By YITZHAK OKED

Jerusalem Post Reporter
TEL AVIV. - With friction growing daily between Mekorot and the Moshav Movement, the national water company is seeking counsel from the moshavnik who has just become agriculture minister, Arye Nehamkin.

Mekorot says it must have the nearly IS1 billion owed to it by the moshav farmers by Thursday, when the water company must pay its electricity bill. The moshavniks say they do not have the money, and add that they want Mekorot director Ze'ev Ashkenazi to resign because

the company has cut the farmers' period of credit from 120 days to one month.

The water company said yesterday the reduction in the period of credit was necessitated by the general economic situation. It added that normally by this time the company would have cut the water supply to the indebted moshavim, but has deferred this pending a meeting today or tomorrow with Nehamkin.

The company said that since Nehamkin has just assumed his duties as agriculture minister, and since he is a moshavnik himself, it wanted to give him the opportunity to work on the debt problem.

Road accidents down 10%

Jerusalem Post Reporter

Road deaths and accidents dropped by 10 per cent this summer from the summer 1983 figures, Road Safety Administration Director Moshe Atiyah said yesterday.

Citing police records, he said that 102 persons were killed and 4,980 injured in June-August this year, compared to 112 killed and 5,519 injured in the corresponding period last year.

Atiyah attributed the improvement to the special accident-prevention programme initiated by the administration, at a cost of IS40 million. The money was spent on education, the use of unmarked police cars, and radio and television broadcasts on the subject of road safety.

Two under-age motorcycle riders were seriously hurt in separate accidents over the weekend. Avi Dahrigi, 12, was involved in a head-on crash in Kfar Sava and Zupiran Ma'ad, 13, was hit by a tractor in the village of Kalansuwa near Tul-karm. Dahrigi was hospitalized in Petah Tikva's Beilinson Hospital and Ma'ad was taken to the Meir Hospital in Kfar Sava. (Itim)

Kuwaiti envoy to Paris to hasten arms delivery

KUWAIT (AP). - Kuwait's Chief of Staff Major General Abdullah Farraj al-Ghanem flew to Paris yesterday and sources at the Defence Ministry said he was heading a high-level military delegation that would seek speedy delivery of earlier military deals concluded with France.

A spokesman at the French embassy said delivery of 13 French F-1 Mirage jetfighters contracted by Kuwait would start in December.

New police chief for J'lem

The new Jerusalem Division Police chief, Deputy Commander Haim Albalos took office yesterday, succeeding Rahamin Comfort, who has become Southern District commander. (Itim).

Palestinians mark massacre in Lebanon

BEIRUT. - Palestinians in the capital and elsewhere in Lebanon yesterday marked the second anniversary of the massacres in the Sabra and Shatila refugee camps with demonstrations and strikes.

Refugees in Sidon went on strike and residents blocked camp entrances with burning tires, Beirut Radio said.

In Beirut, families carrying photographs of their slain relatives stood at the mass grave in the Shatila camp as Druse leader Walid Jumblatt laid a wreath to express his community's shared grief. (AP, Renter)



Defendants in the Jewish terror underground case arrive at the Jerusalem District Court for yesterday's opening of their trial. (Dan Liberman)

SECURITY SERVICES

(Continued from Page One)

The trial is a criminal case, motive is irrelevant. The defendants are not mere individual offenders, but partners in a conspiracy to commit, and in the actual commission of terror acts.

The trial, she said, covers a plot to blow up the Jerusalem mosques, involving 14 of the defendants (plus three who have already pleaded guilty): the attempted murder by car bomb of mayors and other West Bank Arab figures, also involving 14 defendants of the remaining 20; and the attempt to bomb five Arab buses, in which 16 defendants were allegedly involved. Some, she noted, are charged only with having helped prepare the materials needed, and not with intending to commit murder.

Written statements by Haim Ben-David, Ze'ev Friedman, Moshe Zar, Yitzhak Ganiram and Uri Maier and records of items found in searches and other written documents were the first direct evidence introduced. Filmed reconstructions of the alleged crimes were also offered, but their admissibility has yet to be determined.

First on the stand was Marian Rosenberg, an electronics expert in the explosives department at national police headquarters. Showing a "Shabbat clock," such as was attached to the explosives under the five buses, he said it had been altered to enable the use of an external battery, supplementing a small, internal one to ensure its running for many hours. Other batteries capable of detonating bombs of the type placed under the buses were wired to

the clocks.

Jerusalem police sapper Beami Amadi came under high-pressure cross-examination when he took the stand. He told how he had been called at 4 a.m. on the morning of April 27 and by 5:50 a.m. defused three of the five bombs, but not before a brief disagreement with GSS agents at the scene.

The agents, saying that there was plenty of time and no danger, asked him to wait for an order from above to dismantle the bombs. Amadi related. The GSS people knew the timers were set for 4:30 p.m., although that information could not be gleaned by looking at the charges.

Amadi ignored the GSS advice, he said. But the disagreement led to persistent questioning by Aviyitzhak and other defence lawyers, who tried to suggest that perhaps whoever placed the bombs did not really intend them to explode. Amadi consistently said that he had concentrated only on his job and could not supply a detailed picture of what else was going on. But he did admit that it was the first time in his experience that anyone had instructed him not to defuse a bomb. Why this was done remains to be answered.

The final witness was police sapper Yisrael Rahamin, who had preceded Amadi at the bus and acceded to the GSS request to wait. His description of the remaining events did not differ from Amadi's, though he confirmed that after the bomb was removed from the first bus, he saw that the times had indeed been set for 4:30 p.m. The trial is to continue today.

Soviet mine found south of the Suez Gulf

CAIRO (AP). - Multinational navy teams searching for terrorist mines in the Red Sea, have found and detonated a Soviet-made mine south of the Gulf of Suez, Egypt's Armed Forces Command announced yesterday.

The command said the mine was found and detonated by a French navy team that was participating in the mine hunt.

Mines in the Red Sea have damaged 18 ships since July 9, prompting Egypt to seek the help of French, U.S., British, and Italian anti-mine navy units.

Over 2,000 at Rafah mayor's funeral

RAFAH (Itim). - More than 2,000 people attended the funeral yesterday of Abdul-Hamid Kishta, the murdered mayor of this town. Among the mourners were Tat-Aluf Avraham Binayim, head of the Gaza District civil administration, the mayors of Khan Yunis and Dir al-Balah, police and civil administration officers and local notables. Kishta was shot in the back of the head on Friday night as he left a mosque in Rafah's main street.

Members of Kishta's family swore at his open grave to take revenge for the murder. A special team of Gaza area police investigating the crime had arrested seven suspects by yesterday. Binayim yesterday categorically denied a Radio Damascus report that "liberation forces in the territories" were responsible for the killing. Binayim said the background to the crime was a conflict between Kishta and local residents.

In deep sorrow we announce the passing of
Architect
ABRAHAM REIFER
The funeral will leave today, Monday, Sept. 17, 1984, 20 Elul 5744, at 2.30 p.m. from the Municipal Funeral Parlour, 5 Daphne St., Tel Aviv, for the Kiryat Shaul cemetery.
Transportation will be supplied for those wishing to attend.
In the name of the family
Edith Reifer

In deep sorrow we announce the passing of
MOSHE EVENARY
(previously from Bulawayo - Rhodesia)
The funeral will take place today, September 17, 1984, at 2 p.m. at the Holon cemetery.
We shall meet at the gate.
His wife: Masha
His children: Diana, Victor, Norah and their families

Our dearest
RUTH STOCK
has left us forever
The Bereaved Family

התקן זמן תפוח
ESTHER WASSER י"ט
mother of Max Wasser
Shiva is being observed at the home of Mr. and Mrs. Elliot Ginsberg until Thursday morning, September 20, 1984.

Mazal Tov to our dear friends
HAIM and BERTHE ZOAR
on the occasion of the marriage of their daughter
IRIS to ODED BEN AMI.
Much "naches" always,
George and Mee Falk

Tomorrow - Civil Defense Exercise in the Jerusalem Area

Tomorrow and the following day, September 18 and 19, between 9 a.m. and 2 p.m., there will be a Civil Defense exercise in the Jerusalem area. During the course of the exercise, there will be simulated firing and explosions and the all clear will be sounded. In case of an actual alert, sirens will be sounded on an ascending/descending scale.

Emotional moments as new ministers step in

By AARON SITTNER
JUDY SEGEL
AND GREER FAY CASHMAN

New ministers took over from outgoing officials yesterday with speeches, modest ceremonies and, in at least one instance, with a surprising announcement.

Moshe Katav (Likud-Herut) took over from Tami Aharon Uzan at the Labour and Social Affairs Ministry by announcing that he will be away from his office one day a month - to work at manual labour.

"Having heard about this phenomenon of unemployed people shunning manual labour," Katav

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HOME NEWS

One fifth of job seekers re demobilized soldiers

By AARON SITTNER
Jerusalem Post Reporter

A growing number of demobilized soldiers joining the nation's ranks of job seekers is a human problem, not a statistical one, the spokesman of the Employment Service, Zalman said yesterday.

He told *The Jerusalem Post* that demobilized soldiers are 20 per cent of the job applicants at labour exchanges. And of the 70,000 persons who join the civilian labour force each year, about 14,000 are newly discharged servicemen.

"For us who work to place people in jobs, these young veterans pose more of a human problem than a statistical one," Hen said. "The overwhelming majority return to civilian life with almost no vocational or professional training. We advise them to learn a trade. But they - naturally - are impatient."

"Having given up three years of their life in the forces, they are very eager to have a go at a job or career the moment they are demobilized. It is very demoralizing to be told that the only jobs available are those of sanitation worker in some town, a mason's helper at a construction project or an asphalt smoother at a road repair site."

The newly discharged soldiers ask for clerical jobs in offices, Hen said, "despite the unfortunate fact that not many of them can neither read nor write well enough."

Hen says demobilized soldiers are

being unfairly accused of malingering for the purpose of receiving unemployment insurance.

He said: "Too many accusing fingers are being pointed at ex-servicemen just returned to civilian life, with the allegation that they prefer to remain idle and collect unemployment insurance rather than go out to work."

"But this just isn't so! We have found that 35 per cent of these new Israel Defence Forces veterans collect unemployment allowances for a period of up to one month, another 20 per cent for a period of up to two months and 13 per cent for up to three months."

"The rest - for reasons such as long-term plans for higher education - may ask for payments beyond 90 days," he said.

"When we compare these claim-time figures with those of all unemployment insurance recipients, we find that among the latter fewer take the allowances for periods of up to 30 days, while more take them for the longer periods," Hen said.

In August, he reported, 10,808 jobless Israelis received unemployment insurance payments, compared with 10,604 in July.

He admitted that the level of unemployment insurance payments - about 187,000 per month - is not much below the beginning wage of about 187,000 being offered by employers to whom the labour exchanges refer untrained workers.



Members of Jewish families who spent Friday and Saturday in a Nablus hotel light a havdala candle to mark the Sabbath's end before leaving the hotel and the city on Saturday night. (Dan Landau)

Alcoholism congress opens

Jerusalem Post Staff
A week-long international congress on alcoholism, the family and the community opens in Jerusalem today with lectures by Israeli and foreign experts.

Among the topics to be discussed are the ethnic factors involved in alcoholism, treatment of the alcoholic by the family, the effect on alcoholism of the genes, religion and alcoholism, and basic research in humans and animals.

The congress was organized by the Labour and Social Affairs Ministry's unit for the prevention of alcoholism.

A course to train social workers, educational counsellors, psychologists and other professionals for work with alcoholics and drug addicts will open at Tel Aviv University School of Social Work next month. The course, which will be held once a week for four hours throughout the one academic year, is designed for workers who do not spend full time working with addicts but who may encounter them among their clients at the welfare office, mental health clinic, hospital or school.

Further information may be obtained by calling 03-420341.

Cooking-oil production to resume today

Jerusalem Post Reporter
TEL AVIV. - The country's cooking-oil manufacturers will resume production this morning, and supplies should be in the stores within the next few days, the manufacturers announced yesterday.

The decision to renew production followed the intervention of Industry and Trade Minister Ariel Sharon on Saturday night. The manufacturers said that they had responded to

Sharon's request that they renew production "on the understanding that the matter will be discussed this week."

The manufacturers halted production of cooking-oil last week after the government refused their request that they be allowed to raise prices. The government said that prices can be raised only if the per bottle profit made by the manufacturers is reduced.

Ethiopian rabbis attend seminar

Ethiopian rabbis living in Israel convened yesterday for a week-long seminar on the relationship between Jewish Law as practised in Israel and the tradition kept up by Ethiopian Jews over the centuries.

The seminar, the first of its kind, is taking place at the Nir Etzion College for Jewish Studies near Haifa. It was organized by the Education and Culture Ministry and the Jewish Agency.

The rabbis will concentrate their discussion on the special study programme for absorption of Ethiopian olim prepared by the Education Ministry. They will visit Yad Vashem and the Knesset, and meet with Israel's chief rabbis. Their study week will conclude at a rally for Ethiopia's Jews to take place at the Western Wall on September 20.

Bahais restore room where founder lived

ACRE (Itim). - Members of the Bahai sect have restored the room of their founder, the Baha'ullah, who lived here at the end of the 19th century.

The room had become a warehouse. The municipality agreed to transfer possession to the sect after the room was identified as the place where the Baha'ullah lived after being released from a Turkish prison.

Acre wall 600 years older than had been thought

ACRE (Itim). - The northern wall of ancient Acre, which was thought to date to the 18th century, in fact dates to the Crusader period. This was discovered by an archaeological dig headed by Adam Drucks from the Department of Antiquities.

For years it had been assumed that the northern wall was built by Daher al-Omar, the ruler of Galilee in the 18th century, who had his capital in Acre. But this season's excavation uncovered artifacts from the Crusader period of the 12th century. Among the finds was a Crusader period bowl with a painting of a woman in medieval dress.

The area of the dig is to be restored as a public park at a cost of 150 million and will include an amphitheatre.

More Asian-African pupils in 12th grade

The number of pupils of Asian-African background reaching the 12th grade has increased significantly, a recent survey by the Education Ministry shows the number has risen from 42 per cent in 1980 to 63 per cent this year. This percentage is proportional to the demographic distribution of this age group in Israel, the report says.

The survey also found that 46 per cent of the pupils from Asian-African origins are enrolled in technical high schools and intend taking the matriculation examination.

In the last survey in 1977, only 15 per cent of these pupils took the examination, most of the others opting for certificates of proficiency in technical occupations.

Rabin: IDF to pull out 'in months'

By GREER FAY CASHMAN
Jerusalem Post Reporter

Defence Minister Yitzhak Rabin said yesterday that the new government is united in its commitment to ensure a normal life for the residents of Galilee, and said that this can be achieved without the deployment of Israeli forces in Lebanon. He hinted that the Israel Defence Forces would be withdrawn in "months not years."

Speaking to the leadership conference of the United Jewish Appeal at Binyanei Ha'uma in Jerusalem, in his first public speech since becoming defence minister, Rabin said that the initial drive into Lebanon had achieved a national consensus, but the extended war had "brought about a divisiveness that I cannot recall in any of the wars that preceded the Lebanon war."

Rabin stressed that the economic plan is the key to the government's success. The balance of payments deficit "reached a peak that we did not believe was possible."

Turning to the economic issue as "crucial" Rabin gave one example of the manner in which Israel's economic strength determines her military power. Israel has to maintain military strength far beyond her economic capabilities, he said. Israel's tank force has to be quantitatively and qualitatively stronger than that of Britain, France or the German Federal Republic. "It has to be strong enough to defend itself against any combination of Arab armies" without being dependent on outside assistance.

As far as defence is concerned, said Rabin, "Israel is in relatively good shape" - without threats from Iraq, which is stuck to its eastern front as a result of its war with Iran, and no threat from the south, because "there is peace with Egypt."

The only real threat, Rabin said, is from Syria because of its hostile policy to Israel, aggravated by the presence of both Israeli and Syrian forces in Lebanon. Rabin stressed that the main task of the Israel Defence Forces and the defence policy of Israel is to prevent war. "The best war" he said, "is the war that is avoided."

But if war cannot be averted, Rabin said emphatically, Israel will "defeat the attacking forces in the shortest and most decisive way."

Rabin said he is convinced that Lebanon's political future will not be decided by either the U.S. or Israel, but by Syria backed by the Soviet Union.

Nothing that neither of the two major parties in the government has given up its basic position, Rabin pointed to the wide gap in attitudes on the continuation of the peace process, the ultimate solution to the differences between Israel and the Arab world, and the kind of Israel to which either party aspires.

"Sharp divisions and antagonisms" of a political, religious and ethnic nature "endanger the unity of our nation" said Rabin.

2 suspects allegedly confessed to fellow prisoner Danny Katz murder trial opens in Haifa court

HAIFA (Itim). - A state's witness, held in protective custody in connection with a drug case, caused the breakthrough in the case of the murder of Danny Katz, 15, in the Danya quarter of Haifa last December.

This was disclosed at the opening of the trial of five men charged with Katz's murder in the Haifa District Court. The state's witness, Meir Allon, told the court that he had acted on his own initiative in trying to get his fellow prisoners to tell him the truth. Two of them allegedly told him of their involvement in the murder.

The five suspects are Ahmad Kuzli, 29 and Ataf Sabibi, 26, of Nadi al-Ain near Tira Hacarmel, and Samir Janama, 27, Fathi Janama, 19, and Ali Janim, 20, from Sakhnin in Lower Galilee. Ataf Sabibi worked as a guard in a building in the Danya neighbourhood, the other four worked as delivery men for the local supermarket.

The five have pleaded not guilty and the admissibility of their confessions and of the filmed reconstructions of the crime are being challenged by their counsel.

The five are charged with kidnapping Danny Katz near his house in Rehov Greenbaum on the evening of December 8, 1983. They then allegedly took him in the Supersol van they used for deliveries to a construction site in Rehov Liberia, where they strangled him to death. Samir Janama is said to have kept watch outside, while the others committed the crime. After murdering Katz, the four suspects are charged with undressing him and committing sodomy on his dead body.

The charge says that the accused

then took Katz's body and hid it near Haifa University. The following day the three Sakhnin men allegedly took the body to the Segev Region, where they hid it in a cave. It was discovered there three days after the murder.

Allon testified that Ali Janim and Fathi Janama were imprisoned in the same cell with him last March. An alleged police agent told him that Janim was involved in the Katz murder, and he resolved to take the initiative to try to discover the truth. Allon said that Janim told him all about the kidnapping, the murder, the acts of sodomy and the hiding of the body.

At this point Janim started shouting and was warned by the court that he would be removed from the courtroom.

Allon testified that he had told the investigators about Janim's confession. Janim had been interrogated the following day and had repeated what he had told Allon in their cell.

Allon said that he had subsequently shared a cell with Fathi Janama and that he, too, had confessed to the murder. He testified that he persuaded Janama to cooperate in filming the reconstruction of the crime.

Allon said that there were no signs of violence on Janama's face and, when he had seen him in the shower, there were no signs on his body either.

At the start of the proceedings, the court turned down a defence request to postpone the hearing on the ground that they had not been given a full list of the 105 prosecution witnesses.

Veil raps 'double standard' on Israel-South Africa links

By MARK SEGAL
Post Political Correspondent

TEL AVIV. - Simone Veil, the European Parliament Liberal bloc leader, yesterday strongly condemned "double standards and double language" of Europeans, especially Socialists, who attack Israeli ties with South Africa, yet at the same time engage in large-scale commerce with Pretoria.

Veil spoke at the closing news conference of the Liberal International congress, where 300 delegates from 25 countries, concluded four days of debate at the Tel Aviv Hilton yesterday.

Veil intervened in the news conference after West German Bundestag member Helmut Schaefer spoke of "widespread unrest among young Europeans over cooperation between Israel and South Africa, especially in the field of atomic activity."

Schaefer, who is foreign-affairs spokesman of West German Foreign Minister Hans-Dietrich Genscher's Free Democratic Party, denied re-

ports that the German Federal Republic is supplying either Iran or Iraq with the means of making chemical weapons. He blamed Iraq for the Gulf war and urged Europeans to end the boycott of Iran.

Speaking of Kuwait's intention to table a "Zionism equals racism" motion at the forthcoming Parliamentary Union conference, Liberal International President Senator Giovanni Malagodi of Italy said such a motion should be opposed because "we certainly do not see any connection between Zionism and racism."

British delegates to the congress, led by Liberal Party leader David Steel, left the congress' Friday session to plant trees in a Jewish National Fund forest at Ben-Shimon, the JNF spokesman said yesterday.

Steel thanked the JNF for planting trees in memory of Jewish members of the Liberal Party - Lord Byers, Kenneth Vaux and Jack Barnett - who died in the past year, the spokesman said.

Begin has no malignancy, Shaare Zedek announces

Jerusalem Post Reporter

Former prime minister Menachem Begin shows no sign of any malignancy, the Shaare Zedek Hospital spokesman announced yesterday.

The announcement was made after tests were concluded on the former prime minister. Begin was hospitalized last Monday because of pains in his urinary tract.

He was reported to be in good spirits and exercising periodically with the help of a physiotherapist.

SPECIAL WEEK. - An Aged Persons Week begins in Ramat Gan this afternoon with a march of the elderly and secondary school pupils.

3 suspects arrested in streetcorner murder

ASHKELON (Itim). - The Police have arrested three persons suspected of involvement in the murder of a man who was stabbed to death in front of passersby on a streetcorner here on Saturday.

Shalom Hamias, 22, was killed after a quarrel with two other men. Hamias was released from prison 12 months ago after serving four years for burglary and theft.

The special police team investigating the murder arrested a 28-year-old woman and two men, aged 23 and 24.

For his 80th birthday—a neighbourhood

By JUDY SIEGEL
Jerusalem Post Reporter

An American Jewish philanthropist who is reported to have quietly donated \$100 million to various causes yesterday received a 80th birthday present from the Jerusalem Municipality: a new neighbourhood the capital was named Kiryat Jack Weiler in his honour.

The municipal council decided to name a Gilo quarter that will eventually house 5,000 after the New

York real estate man.

"This is a small way we have of saying thank you, happy birthday, and we love you," said Kolek, at the naming ceremony held in the Gilo elementary school. It was attended by members of Weiler's family, as well as representatives of the United Jewish Appeal, Israel Bonds, the Jerusalem Foundation, the Israel Museum, the Bezalel Academy of Arts, the Joint Distribution Committee and the Jerusalem College of

Technology. Today, the yeshiva at the JCT will also be named for Weiler.

Kiryat Weiler, the heart of Gilo, includes 680 apartments, occupied by 3,000 souls - many of them young couples with small children.

Public institutions planned for Kiryat Weiler include a central synagogue, a large day-care centre, a mother-and-child-care centre, a kindergarten and a park.

The municipality has asked the Jerusalem Foundation to recruit the help of its friends worldwide to complete the public facilities for (the neighbourhood's) successful development, Kolek said.

Weiler, a man with enormous energy and self-deprecating humour, is well known in New York Jewish and Israeli circles for the "succa in the sky" that he constructs every Succot on the roof of one of the Manhattan skyscrapers he owns - the Grace Building. Weiler hosts luncheons on the holiday, which are attended by leaders of Jewish organizations, Israeli diplomats, rabbis and government officials.

THE SIDROT By Abraham Chilli
The Sidrah - the weekly Torah-reading portion - has for centuries been popular with rabbis as material for the D'var Torah, and for sermons. THE SIDROT offers commentary on each Parshat HaShavua, which imparts knowledge of Judaism, teaching of the masters and the morals of our tradition. Published by Gefen, hard cover, 191 pages. PRICE: IS 4156

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Science has long recognised that hair colour comes from a pigment called melanin which is produced in the hair follicles. The more melanin, the darker the hair. As people age the production of melanin decreases in individual hairs, and those hairs turn grey. When no melanin at all is produced, the hair turns white.

Combines with hair's natural protein. Studies show that Grecian 2000 reverses the greying process. It gradually combines with the hair's natural protein to form new pigment inside the hair shaft - where melanin used to be. Consequently, you get natural-looking colour that does not rub off and is not affected by shampooing or swimming.

Easy to use. Grecian 2000 looks like water and is just as simple to use. There is no mess. Application is daily for the first 2 or 3 weeks until as much grey as desired slowly disappears. There's no embarrassing sudden change. Then once or twice a week is sufficient to maintain the natural-looking colour.

Why results look perfectly natural. Natural hair has slight shade variations; no two individual hairs contain an identical amount of melanin. Since the lost melanin in each hair is replaced with a similar acting pigment, the amount in individual hairs will vary. So, whether a little colour is restored or a lot, your hair will have natural shading - without that solid dark dyed look. That's why Grecian 2000 results look so natural. Best of all, you control exactly how much grey you lose.

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Set Your Sights Inwards

To Messrs. Shimon Peres, Yitzhak Shamir, and their colleagues:

By dint of mutual efforts, you have up to now, succeeded in proving your leadership and statesmanship. In doing so you have gained the gratitude of the majority of the nation. The brunt of the work, however, lies ahead. The corner stone for social, economic and political success is to prepare the soil for receiving the seed of the working unity of Zionism in the making. A great deal of fundamental and continuous work will be necessary among the nation, the youth and its counsellors, in order for the "individual Zionist revolution" to take place, and for there to be a resolute stance against extreme violence and racism.

Peace must blossom from within in order to spread and transverse borders.

Announcement: during Hol Hamoad, Succot, there will be an assembly of the people in "Emek Shaveh" (the Valley of Accord), aimed at reconciliation and a drawing together of the hearts, to which the country's citizens shall be invited. We appeal to you to help us realize this gathering.

Our blessing and respects.
People of Deeds

Dear supporters! We thank you for the encouragement and moral support you have extended us. Please, in your benevolence, let our bank account be included in this effort as well.

People of Deeds, P.O.B. 3891. Bank account no. 148578, Bank Hapoalim, Shimon Hamalka Branch, Jerusalem.

Deficit Politics

Mondale Bets On Tax Plan, But Odds Still Favor Reagan

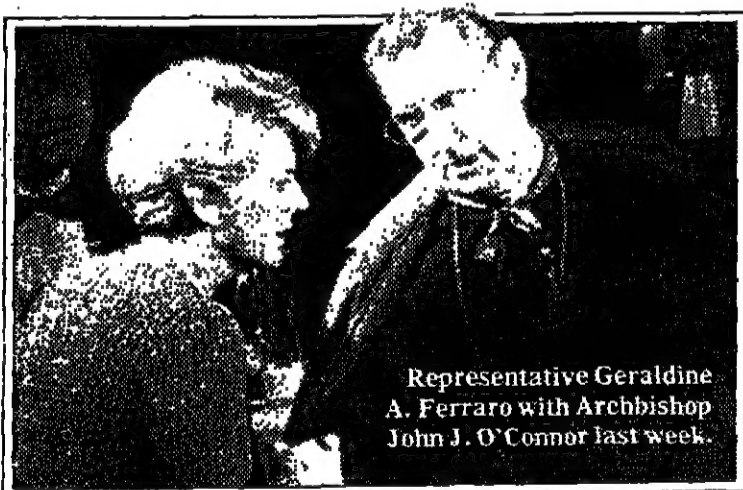
By STEVEN R. WEISMAN

LIKE all Presidential contests, the race this year involves more than a struggle between two candidates and two ideologies. Events last week showed that Walter F. Mondale and Ronald Reagan disagree basically on what things Americans should consider when they make their choices.

On Monday, Mr. Mondale made his most comprehensive attempt to establish the case for his candidacy along the contours of Mr. Reagan's perceived vulnerabilities. The supposed Presidential fault lines are fairly clear. Republicans and Democrats agree that the President, while riding high in the opinion polls, remains more popular personally than many of his policies are.

The polls show, in other words, that voters are highly concerned about the dangers of war, the durability of the economic boom and the fairness of Mr. Reagan's tax and spending programs. Earlier, Mr. Mondale announced his proposal to seek a meeting with the Soviet leadership within six months of his taking office to negotiate a freeze in the arms race. His approach on the economic issues was to lay out a plan to cut \$177 billion from the Federal budget deficit by the end of the decade with a package that included \$85 billion in new taxes.

"Mr. Reagan, all my cards are on the table," he said. "Americans are calling your hand." But were they? Not judging from the Reagan campaign's success so far in surging ahead without having to join the issue on taxes and spending. On war and peace, the President did not so much ignore his opposition as one-up it with the announcement that Andrei A. Gromyko, the Soviet Foreign Minister, would visit the White House next week. Mr. Reagan told reporters that he wanted to convince Mr. Gromyko "that the United States means no harm."



Representative Geraldine A. Ferraro with Archbishop John J. O'Connor last week.

The Religion Issue, With Gusto

TWENTY-FOUR years ago, John F. Kennedy appealed to Protestants not to exclude him from office because he was a Roman Catholic. Last week, his brother, Senator Edward M. Kennedy, joined other Catholic Democrats who have indirectly appealed to the bishops of their church, asking that they not urge the exclusion of Geraldine A. Ferraro, the Democratic Vice Presidential candidate, because she disagreed with the official Church position on abortion.

Mr. Kennedy's remarks came in a week in which the issue was joined directly. The Archbishop of New York, John J. O'Connor, at a convention of the Pro-Life Federation in Altoona, Pa., said: "The only thing I know about Geraldine Ferraro is that she has given the world to understand that Catholic teaching is divided on abortion."

Mrs. Ferraro, who says she opposes abortion as a Catholic but backs women's freedom of choice as a public official, denied ever making "a public statement misrepresenting the teachings of the church."

A Ferraro aide said the Archbishop had referred a statement in a 1982 letter to Catholic members of Congress. He said when Mrs. Ferraro wrote, "The Catholic position on abortion is not monolithic," she was referring to individual Catholics, not church doctrine.

Governor Cuomo, another Catholic with whom the Arch-

bishop has differed on abortion, strongly defended such positions in a speech at the University of Notre Dame. He said Catholics should demonstrate their faith by example and not by seeking to make illegal those practices they deemed sinful.

He also criticized the injection of religion into the Presidential campaign, saying, "God should not be made into a celestial party chairman."

President Reagan, perhaps underscoring the antiabortion beliefs he shares with Catholics, joined an enthusiastic John Cardinal Krol of Philadelphia at a rally in Doylestown, Pa. And there were reminders by the Rev. Jerry Falwell of the Moral Majority that fundamentalist churches that support Mr. Reagan are registering thousands of voters.

Meanwhile, Walter F. Mondale, who bemoaned the evolution of the campaign into a fight for religious turf, found himself in the thick of it in Tupelo, Miss. Responding to often hostile questions, he defended his "Christian family" upbringing, but said politicians should keep their "nose out of religion."

The campaigners' week finished on a note consistent with their attempts to win points on "family values." Mr. Mondale and President Reagan, Vice President Bush and Mrs. Ferraro all spoke at a National Italian American Foundation dinner in Washington last night.

In trips to working-class neighborhoods in upstate New York and to the Grand Ole Opry in Nashville, Tenn., the President used a variety of picturesque settings filled with flags and balloons to define the issues broadly as hope versus fear, community versus envy, strength versus weakness and confidence versus self-loathing. His advisers say that if he can keep dominating the campaign with these themes, he will achieve one of the biggest landslide victories in modern history. It would be hard to sum up Mr. Reagan's appeals more succinctly than he did himself when he told an audience that "we see an America where every day is the Fourth of July, and they see an America where every day is April 15th."

Mr. Mondale's tax package created no great enthusiasm in Capitol Hill and elsewhere. Democrats suggested it would be nearly impossible to pass. Nevertheless, it appeared to be a serious proposal that fulfilled the candidate's promise to have something that would deal with the deficit. The package was based on the assumption that the deficit will rise to \$263 billion by 1989, as forecast by the Congressional Budget Office. Mr. Reagan, by contrast, is suggesting these days that the deficit will continue to shrink in the years ahead because of economic expansion. Mr. Mondale called for trimming the President's proposed rate of growth in military spending, imposing hospital cost containment to control the price tag for Federal health benefits, reducing farm subsidies and achieving certain management savings.

More controversial was the tax package. Mr. Mondale has repeatedly suggested that taxes would fall most heavily on corporations—and the wealthy. In recent months, however, it became clear that in order to cut the deficit by two-thirds, as Mr. Mondale had pledged, middle-class taxpayers would have to share some of the cost. There would thus be at least some tax increases for families of four with adjusted gross income exceeding \$25,000. At the White House, there was a gleam that Mr. Mondale recognized that a credible revenue package for the deficit would have to do more than "soak the rich."

There were more reasons last week for Mr. Reagan to be confident about the political future. A Gallup poll issued Sunday showed Mr. Reagan ahead of Mr. Mondale by 55 to 40 percent. A similar finding emerged from an ABC/Washington Post poll. Mr. Reagan never seemed to get pined down on the question of where he would cut spending if he was not going to raise taxes. Indeed, he got some political mileage out of dedicating a housing project in Buffalo subsidized by a program that his Administration had tried to cut drastically.

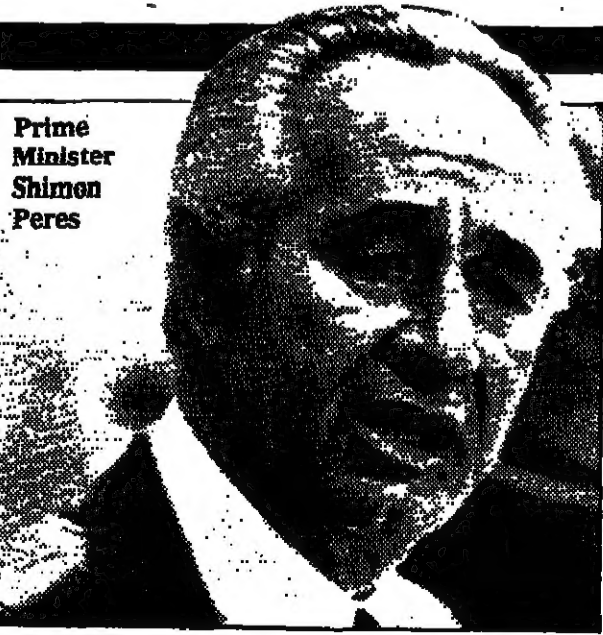
Yet there was also cause for concern. The President was treading on the edge of danger on the spending issue when he told reporters at a news conference to look at the nearly \$50 billion in spending he had tried to cut if they wanted to know where he would cut again. White House aides conceded, for example, that among the candidates for cutting was the ill-fated package of Social Security re-

ductions proposed in 1981 and effectively exploited by the Democrats in the 1982 elections. In addition, Vice President Bush got caught in an embarrassing situation when he told reporters that he had simply forgotten that he had once had a more lenient position on abortion than the President's total opposition to abortions. Finally, like an unwelcome guest at a victory banquet, the ABC/Washington Post poll showed voters viewed Mr. Mondale as "more likely" than Mr. Reagan "to keep the United States out of war" and more concerned "about people like me." The puzzle for Mr. Mondale was: With these problems, why has he been unable to break through the barrier to emerge as a serious challenger? The answer, in the view of many authorities, seems to be that he has not convinced Americans that their concerns about fairness and war are enough to influence their votes. Reagan

On the road with Mondale and Ferraro, page 2.

aides put it more bluntly. "He has not been able to come across as a bold, decisive and credible leader with his own vision of the future," said one.

With only eight weeks to go until the election, some in the Mondale camp have come to recognize the "leadership issue" as more crucial than the policy issues addressed by the tax and arms-race proposals. More than ever, they are pinning their hopes on the chances to establish the former Vice President once and for all in a campaign debate with Mr. Reagan. Officials in both camps indicated last week that there will now likely be two debates two weeks apart in October, with a debate involving Mr. Bush and Representative Geraldine A. Ferraro in between. Some are advising Mr. Mondale to go for broke and challenge the President directly to drop the American flag for a moment and discuss some of the uncertainties about his own plans. Whatever happens, the debates are likely to shape up as pivotal to the campaign.



Israel's unity government: enough problems to share

4

Gromyko's Trip Offers Modest Prospects

By LESLIE H. GELB

WASHINGTON

WITH the announcement that President Reagan and Soviet Foreign Minister Andrei A. Gromyko will meet next week, Administration officials and foreign diplomats are peering down the road and asking where relations are headed. It is generally believed that even if the meeting puts things back on track, Soviet-American relations will be different from the détente days of the early 1970's, probably far less extensive and certainly attended this time by more modest expectations.

Mr. Reagan was cautious last week in his portrayal of the get-together. The purpose was to ease "suspicion and hostility," he said, and "maybe convince him that the United States means no harm." The Russians had no immediate comment on the exchange, which will be the first at this level in more than four years. Mr. Reagan seemed to attribute the hiatus to instability caused by there having been three Soviet leaders since he assumed office.

Most experts, including his own, point to deeper reasons—the Soviet invasion of Afghanistan, the Reagan Administration's harsh rhetoric, the Soviet downing of the Korean airliner a year ago, the crackdown against the Solidarity union in Poland, the Administration's attitude toward arms control. By testimony of both American and Soviet officials, the scars have not healed.

Nor will resuming the dialogue be made easier by renewed charges of Soviet violations of existing arms control agreements. Under pressure from conservative Republicans in Congress, the White House plans to release a report by a Presidential advisory committee that is said to be far more damning than the one submitted by the Administration last year. Mr. Reagan and some of his top aides beat back efforts to release the report before the meeting with Mr. Gromyko. Of particular concern is the radar facility under construction in central Siberia, which most experts regard as a breach of the 1972 treaty limiting antiballistic missile systems. Moscow has also accused the United States of violating arms control accords.

The Right Man to Talk To

Analysts are asking why Mr. Gromyko agreed to meet with the President on Sept. 28 and with Secretary of State George P. Shultz on Sept. 26. There is no doubt that Soviet leaders would prefer the election of the Democratic nominee, Walter F. Mondale, and no doubt that they realize that the meeting will undercut the Mondale charge that Mr. Reagan and the Russians will not deal with each other. (Mr. Mondale plans to make arms control a major campaign theme this week.)

One explanation, Administration officials suggest, is that Moscow has determined that Mr. Reagan's re-election is a foregone conclusion that will not be changed by the meeting. Their second explanation is that Moscow is concerned about new American nuclear weapons programs, particularly space-based weapons, and wants to begin getting its hooks into them through the arms control process.

"The Soviets would just as soon prepare the ground for resuming talks now, rather than waiting until next year," an intelligence analyst said.

There is little doubt that Mr. Reagan will be speaking to the right man. With the Soviet leader, Konstantin U. Chernenko, ailing, the veteran Foreign Minister is generally regarded as the man in charge of foreign affairs. Experts are mostly in the dark, however, on the state of military-Politburo relations in Moscow. The unceremonious removal almost two weeks ago of Marshal Nikolai V. Ogarkov, the top military man, still has the Administration guessing. The leading theory, based on an interview he gave in May, is that he may have been pressing too hard for military spending increases to compete with new nonnuclear American technology.

Looking for a Deal

Arms control will be at the top of the agenda at the meetings with Mr. Gromyko. The Administration is looking for a deal: Washington would accept Moscow's proposal to begin talks on space weapons, including antisatellite weapons but without preconditions, and Moscow would agree to return to the bargaining on intercontinental nuclear forces and medium-range nuclear forces in Europe. Recent statements from Moscow indicate this approach might work, although the Russians may continue to insist that the United States must first forgo testing of antisatellite weapons.

The leaders are unlikely to find common ground on the issues of Afghanistan, Poland, the Middle East, Central America or the Soviet treatment of dissidents.

On other subjects, however, the prospects appear better. The two superpowers have agreed to upgrade hot-line communications and to reinstitute a variety of exchanges. Russians can again fish in American waters, and they continue to purchase substantial amounts of American grain.

This is a far cry from the panoply of formal agreements during the Nixon Administration on nuclear arms, trade and the resolution of potential conflicts. But it seems that neither side wants to reconstitute such a structure. As it is, the Reagan Administration seems bent on selling the Russians whatever they want, short of technology with military applications, and Moscow seems satisfied with this.

The road ahead on arms control will be long and difficult. It would seem from conversations with American and Soviet officials that they are content to talk a bit more at senior levels, to drift a while longer with the present tensions while avoiding confrontations. But they are not ready to invest a great deal of political capital in trying to negotiate formal agreements.

The Nation



Senator Alan K. Simpson (left) and Representative Romano L. Mazzoli, sponsors of immigration bill, at House-Senate conference committee last week.

Outlook Less Gloomy for Aliens Bill

With time running out on Capitol Hill, the prospects for an overhaul of the immigration laws seemed to improve a bit last week.

Conferees, belatedly turning to the many differences between bills approved by the House and Senate, agreed to make it illegal for an employer to hire any alien known to have entered the United States illegally. Any number of controversial issues are still to be dealt with, including a proposal for a temporary foreign worker program that would allow aliens into the country to help harvest crops.

Further complicating matters is President Reagan's position that he would be comfortable only with the Senate's version. Walter F. Mondale opposes both bills, saying they would adversely affect Hispanic Amer-

icans and other minorities. Senator Alan K. Simpson, Republican of Wyoming and a principal sponsor of the legislation, predicted a compromise bill would make its way through Congress before adjournment early next month. But Senator Edward M. Kennedy, Democrat of Massachusetts, told the committee it was "difficult to think we could reach a compromise."

A candidate for the legislative scrapheap may be the treaty — 35 years old and still not ratified by the Senate — making genocide a crime. Last week, the Foreign Relations Committee postponed action after Jesse Helms, Republican of North Carolina, insisted that changes were needed to, among other things, keep Americans from facing false charges in international courts. The panel may yet take up the treaty, which has been approved by 95 other countries, but it might not reach the Senate floor by adjournment day.

The prognosis for a constitutional amendment requiring a balanced budget also seemed bleak. The Republican-run Senate Judiciary Committee approved the measure, which is wholeheartedly endorsed by the President.

But the Democrats who control the House have refused to make room for it on their agenda, and last week the amendment's supporters conceded that the calendar was working against them.

Congress managed to wrap up work on a few measures. The House sent to the White House a bill that would set aside 1.8 million acres of California forest as a protected wilderness preserve. The House also gave final Congressional approval to a measure requiring that Federal polling places be accessible to the handicapped.

Saving the MX For Another Day

House and Senate leaders tried to gain some relief from the headache caused by their differences over the defense budget last week by postponing until after the election the issue of the MX missile.

Democrats in the House have passed a budget resolution that raises defense spending by 3.5 percent above inflation next year — including funds for the MX. The Re-

publican-controlled Senate has already talked President Reagan down from 13 percent to 7.5.

House Speaker Thomas P. O'Neill Jr. offered to compromise at 5 percent, and by week's end the Senate majority leader, Howard H. Baker Jr., seemed ready to meet him there.

The MX is not the only defense project at issue. President Reagan's antisatellite weapons, the submarine-launched cruise missile system and military policy in Central America all threaten the compromise. Forcing the parties together is the need to get out of town by Oct. 5 to allow time to campaign before the election in November. Delaying the decision on the MX will move it out of the way so that other major appropriations bills can come up for a vote before the recess.

Meanwhile, military contractors and critics gave the Pentagon shooting pains with revelations about defective and overpriced hardware and spare parts.

The Pentagon stopped accepting weapons systems from at least 80 military contractors after discovering that they may contain improperly tested microchips, on which complex electronic circuits are printed. The chips were manufactured by Texas Instruments during the past eight years, but were not tested to military standards before being shipped off to other military contractors for use in sophisticated weapons systems. International Business Machines identified the problem during testing of chips it purchased from Texas Instruments to install in computers it manufactures for the military. I.B.M. then notified the Pentagon.

No sooner had I.B.M. acted than a watchdog group that gathers reports from anonymous Government "whistleblowers" issued its latest round of allegations of price gouging by Government contractors. Among the charges: a "pilot control wheel" for the C-5 aircraft similar to an automobile steering wheel, \$2,738; and a metal door on the C-5's engine listed at \$166,097, up 377 percent in four years.

Florida Groves Hit by Disease

A team of 40 inspectors from the Department of Agriculture this week will join dozens of others already on



Gov. Bob Graham gets his shoes sprayed after inspecting trees affected by citrus canker at Ward's Nursery in Avon Park, Fla., last week.

the job in central Florida trying to control an outbreak of citrus canker, a virulent, incurable disease that kills orange, lemon and grapefruit trees but is harmless to humans.

The discovery of the disease early last week at a 60-acre nursery in Avon Park brought an immediate decision by Federal and state officials to quarantine all fresh Florida citrus products and plants. "We know it's an extreme step," said a Federal agriculture official, "but we have a potentially catastrophic situation."

Citrus canker appears on leaves, twigs and fruit in brownish yellow spots and spreads quickly. It can cause fruit to drop early and eventually kills the trees.

To kill the bacteria, Federal inspectors burned more than a million trees and seedlings at the nursery where the disease first appeared. They also required growers to rinse fresh citrus products designated for shipment out of state in a chlorine bath.

State Agriculture Commissioner Doyle Comer tabled a proposal to force the 40 growers and other nurseries that acquired stock from the infected area to burn all trees, budwood and seedlings bought from the nursery, along with anything on the

purchasers' premises within 125 feet of the stock. "There was just so much outcry," said one grower. The owner of a nearby nursery said the burn would have cost him \$5 million.

Even though citrus ranks as Florida's second largest industry behind tourism, consumers will see little effect on supplies or prices, according to the Agriculture Department. The start of the fall harvest is still two weeks away in most of Florida, and the bulk of the crop leaves the state in a form not affected by the disease — orange juice.

Last week's outbreak marked the first appearance of the disease in Florida in more than 50 years, and while Federal officials weren't quite ready to reveal its origins, Senator Paula Hawkins of Florida felt she had enough evidence to call for an embargo of all citrus imports from Mexico, Florida's competitor.

The embargo was only the latest blow to Florida's growers. State agriculture officials had already predicted that the 1984 crop would be small and the quality poor, a result of a severe freeze last Christmas which weakened the citrus stock.

Caroline Rand Heron, Caryle C. Douglas and Michael Wright

On the Rather Rough Campaign Road With the Democratic Candidates

Timing and Issues Make Problems For Mondale

By FAY S. JOYCE

GREEN BAY, Wis. — It was one of those scenes of small humiliation. After a late start from Washington, Walter F. Mondale raced to make the afternoon shift change at the Procter & Gamble Company's Fox River Plant in Green Bay to shake hands with the bluejeaned men and women who produce Bounty paper towels and Charmin toilet tissue.

But the event was a flop, and as Mr. Mondale stood around chatting gamely with the plant manager, a union leader and a horde of reporters and Secret Service agents, no workers came by for many long minutes.

"That's what I'm trying to tell you, the economy's ground to a halt," Mr. Mondale quipped. "Nobody's coming or going."

On the contrary, the economy appeared to be doing fairly well. Inflation was down to around 4 percent and unemployment stood at 7.5 percent. Even at the trim brick plant where Mr. Mondale stood, jobs were opening up, said Ray Maes, the head of Local 65 of United Paperworkers International.

Such facts have presented problems for Mr. Mondale. The Democratic candidate has tried doggedly to run an issues-oriented campaign, but the issues haven't appeared to be with him. The nation is at peace, unemployment has been declining, and Mr. Mondale has seemed unable to capitalize on whatever sentiment there is for change.

Stuck 13 to 14 points behind President Reagan even in his own polls, Mr. Mondale has made no headway in the last two weeks. "We have not yet successfully changed the focus of the campaign from whether or not people like Reagan to what kind of President we're going to have for the next four years," said James A. Johnson, the Mondale campaign chairman.

Apparently with that in mind, Mr. Mondale shook up his campaign staff at week's end and directed a change in tactics. The ill-attended plant gate appearance wasn't the first such embarrassment he had suffered — he kicked off his campaign by appearing at a Manhattan Labor Day parade that few other people took note of — and the candidate directed that most such "visual" events be eliminated from his schedule.

He made it clear, Mr. Johnson said, that "at every event he wants a forum of substance." In an attempt to achieve that, Mr. Mondale put his longtime aide, Michael Berman, in charge of scheduling appearances and making advance preparations.

Another tactical shift involved doing away with tepid speeches and emerging as a "Fighting Fritz" who would take on Mr. Reagan directly. Mr. Mondale began taking swings in Peoria and moved on to St. Louis and Lansing. He flailed away at Mr. Reagan with harder punches than anyone had seen since the crucial March primaries. The former Vice President called Mr. Reagan cynical, arrogant and isolated, more intent on running a tinsel-covered ad campaign than laying out true choices for voters.

Mr. Mondale's goal is as much to lure Mr. Reagan to the center of the ring as it is to turn voters against him. "You can run but you can't hide," he called out to Mr. Reagan at nearly every stop, echoing Joe Louis,



Walter F. Mondale conferring with senior adviser John R. Reilly (left) and press secretary Maxine Isaacs during refueling stop in Minneapolis.

Representative Geraldine A. Ferraro with Fred Martin, a speech writer, on flight to Washington.



The New York Times/Sara Krulwich

the heavyweight champion. His strategists hope that in two televised debates with Mr. Reagan, on which the two camps tentatively agreed last week, he can continue in this dramatic vein.

But Mr. Mondale is up against an incumbent who has showed that he can use his prerogatives shrewdly. In his announcement that he would meet with Soviet Foreign Minister Andrei Gromyko this week, Mr. Reagan blunted Mr. Mondale's criticism of his failure to meet with Soviet leaders and stole attention from Mr. Mondale's big event, the unveiling of his plan to slash \$177 billion from the Federal deficit by 1990.

The Mondale camp sees the meeting as pure show. "There's no prospect you can turn a short meeting into reducing the risk of nuclear war," Mr. Johnson said. Mr. Mondale will continue to charge that Mr. Reagan's record has been one of hostility to the Russians.

As he contemplated the polls, Mr. Johnson, the bespectacled campaign chairman, recalled that Mr. Mondale was 13 points behind Gary Hart in the Illinois primary the weekend before he resurrected his candidacy by winning it. But that primary turned largely on Mr. Hart's mistakes.

"We don't rule out the possibility of an error by Mr. Reagan," Mr. Johnson said with a smile. "Errors would help. There's no question about that."

For Ferraro, Tough Week Isn't All Bad

By JANE PERLEZ

WASHINGTON — As Geraldine A. Ferraro's campaign plane headed into Scranton, Pa., the other day for what was supposed to be a routine stop on a three-day swing through working-class cities, the candidate and her entourage braced for a hostile reception from antiabortion protesters.

It turned out that the Democratic Vice Presidential candidate has less to fear from the protesters than from the city's Catholic bishop. While Mrs. Ferraro

was still in town, Bishop James C. Timlin held the first news conference of his three-month tenure to castigate her for her position on abortion. Mrs. Ferraro's stance that she opposed abortion herself but would not dictate her views to others was untenable, he said, in the eyes of the church.

All week, the Ferraro campaign seemed to ricochet from one assault to another. The Archbishop of New York lambasted her position on abortion four times within three days. The House ethics committee voted to begin a preliminary investigation into assertions that she hadn't disclosed all she should have about her financial dealings.

The second mechanical breakdown in a week of the candidate's chartered plane and sloppy advance work that resulted in the candidate spending a night in a dingy hotel in Toledo, Ohio, where a prostitute was recently murdered by a truckdriver, paled in comparison with the rest of the campaign's difficulties.

The catalogue of attacks could have left the impression of a candidate beleaguered, but the Congresswoman continued to draw upbeat crowds. Her husband, John A. Zaccaro, won hearty applause from a group of party donors in Indianapolis. Further, Mrs. Ferraro's aides claimed to see mounting evidence of her strengths as a candidate.

In Columbus, Ohio, on 8 a.m. meeting planned between Mrs. Ferraro and 200 Democratic women to discuss campaign strategy blossomed into a jubilant gathering of 700 that overflowed across three rooms. Some of the women had arrived the night before and paid for their own hotel accommodations to hear her.

A Secret Weapon?

Mrs. Ferraro's press secretary, Francis O'Brien, professed to view the turnout of the women and their reaction to the candidate in a larger context. "This is our secret weapon," said Mr. O'Brien. He was beginning to see the main challenge of the Ferraro campaign as one of converting the enthusiasm into votes on Nov. 6.

Mr. O'Brien said he suspected that just as many polls underestimated the surge for Jesse Jackson among blacks during the primary season, current polls were not accurately reflecting Mrs. Ferraro's pull among women. He speculated that women are wary about telling pollsters they will vote on the basis of gender, but will actually do so.

The turnout of women was an unexpected dividend for Mrs. Ferraro's Middle West swing, which was supposed to play to another of her strengths, the blue-collar voter. "Her appeal to the blue-collar, ethnic males, who are thought to be the most macho, is terribly strong," said another aide. "They say, 'Here is someone who represents reality.'"

During all the unwelcome attention to her views on abortion, the candidate was trying to stress the family as a campaign theme. In a schoolroom in Toledo, Mrs. Ferraro talked about "pro-family" values. At one point she substituted "pro-family" for patriotism in a section of her stump speech and then, in a jab at President Reagan, said it was "not enough to salute families, we need leaders who strengthen the family." As she does frequently, she personalized the matter, saying: "I don't like it when children wake up at night having nightmares about nuclear war."

So far, the Mondale campaign strategists, consumed as they seem to be with their broader problems, appear to be paying scant attention to Mrs. Ferraro. Mr. Mondale calls Mrs. Ferraro three times a week, her aides say, but as far as devising ways to use her to their advantage, one Ferraro aide said: "The Mondale people are totally mystified. They don't know what she represents."

Democratic candidates, however, are eager to be seen with her, particularly those running in states where Senator Gary Hart was successful during the primaries. In Connecticut, Representative Sam Gejdenson reports there is hardly a bigger crowd-pleaser than Mrs. Ferraro. And for the third time since her nomination, she will be going back to California this week to woo Gary Hart Democrats and independents.

The World

Clouded Horizon At South Africa's 'New Dawn'

During his days in South Africa in the early years of this century, Mohandas K. Gandhi led civil disobedience campaigns against apartheid. Last week, his granddaughter, Ela Ramgobin, visited her husband, Mewa, at the British Consulate in Durban, where he and five other political fugitives are holed up trying to avoid arrest. He is being sought largely for his efforts against the new Constitution, which brings Indian and mixed-race people into a racially divided Parliament.

The long history of resistance reflects the tenacity of both the state and its opponents. The Government's resolve was apparent in the religious fervor that surrounded the inauguration of P.W. Botha as the first President under the new Constitution. Mr. Botha, who had been Prime Minister since 1978, invoked a divine mission for the Afrikaners, saying "We are part of God's design." Praising the "new dispensation into which we are entering," he contended that "constitutionally, we are on the threshold of a new dawn."

Yesterday, nonwhite Cabinet members were named for the first time. The Rev. Allen Hendrickse, leader of the Labor Party, representing mixed-race people, and Amichand Rajbansi, whose National Peoples Party is drawn from the Indian community, were appointed Ministers but without specified duties. The newly enfranchised citizens have been unenthusiastic.



P.W. Botha taking oath of office as State President last week.

Fewer than 20 percent of them voted. Among blacks, who account for 73 percent of the population but were excluded from the broadened Government, rioting continued. Yesterday, mass funerals were held in black townships for some of the more than 40 people killed in the violence of the past few weeks.

The main beneficiary of the new Constitution appears to be the 68-year-old Mr. Botha himself. It gives the President potentially authoritarian powers, allowing him to veto legislation, summon Parliament and dismiss it.

Help for Those Left Behind

Although the Vietnam War ended a decade ago, many Vietnamese are still paying for their political and personal association with the United States. Thousands of children who were fathered by Americans endure discrimination and thousands of Vietnamese with close ties to the United States during the war were imprisoned in "re-education" camps, where many remain.

Last week, the United States officially accepted responsibility for these people. Secretary of State George P. Shultz told a Senate subcommittee that Washington was ready to call on Hanoi to make good its promise to allow the Amerasians, political prisoners and "qualifying family members" to come to this country.

Hanoi says there are 15,000 Amerasian children; the State Department puts the number closer to 8,000. Vietnam says there are 10,000 political prisoners; Washington says

6,000 to 15,000. The prisoners, many of whom were officials in the South Vietnamese Government, "are of particular humanitarian concern to the United States," Mr. Shultz said.

Despite two years of efforts to arrange for the release of the political prisoners, only about 100 have been allowed to emigrate, according to the Reagan Administration. About 3,000 Amerasian children and their families have already been admitted to the United States.

The plan outlined by Mr. Shultz is part of the Administration's effort to set a ceiling of 70,000 refugees to be admitted from around the world for the fiscal year that begins Oct. 1. Of that number, 50,000 could be from East Asia.

Latin Debtors Seek Dialogue

By offering special deals to Mexico, Brazil and Venezuela, the international banks have dampened the hostility that had been growing among their Latin American mega-debtors. Last week, 11 countries that owe a total of \$330 billion in foreign debt met in Argentina and invited the creditor governments to open a "direct political dialogue." The debtors want protection against trade barriers and high interest rates that have sharply increased their costs.

"How much longer will we test the patience of our peoples?" asked Argentine President Raúl Alfonsín. Argentina, which said it could not meet payments of \$750 million due last week (and \$900 million at the end of the month), owes \$45 billion. The International Monetary Fund, which meets this week in Washington, is pushing the Alfonsín Government to cancel plans for 6 to 8 percent wage increases, over and above inflation of 600 percent annually.

The United States reaffirmed its intention of dealing with the debtors on a case-by-case basis. Mexico, which owes \$95 billion, was recently offered a possible 10 to 14 years extension on debts due by 1990, partly as a reward for a program of domestic austerity and increased exports. Brazil's debt is also \$95 billion. Venezuela owes \$37 billion.

Sakharov Case Won't Go Away

The Soviet authorities have been trying for years to isolate Andrei D. Sakharov, the dissident physicist, but it was clear last week that even now in the Soviet Union the Nobel Peace Prize winner is still far from being an unperson.

Georgi M. Korniyenko, a First Deputy Foreign Minister, was asked on American television about Dr. Sakharov's health and replied that the physicist felt no worse than any man his age, which is 63.

In what seemed to be another attempt at reassurance, a scientific paper by Dr. Sakharov was published in the current issue of the Soviet Journal of Experimental and Theoretical Physics. The editor said it had been submitted in March.

But Moscow took a further step to cut Dr. Sakharov off from the world outside Gorky, the drab industrial city on the Volga where he has lived in internal exile since 1980. Friends confirmed last week that his wife, Yelena G. Bonner, had been sentenced to five years of internal exile for anti-Soviet slander. The punishment, which she is believed to be appealing, would prevent her serving as a courier for Dr. Sakharov. Foreigners may not visit Gorky.

"The whole point of isolating Dr. Sakharov in Gorky was negated," said Victor Louis, the Soviet journalist who frequently speaks for the K.G.B., "when she was running back and forth to Moscow carrying messages from him." Last summer, his wife sent telegrams from Gorky reporting that Dr. Sakharov had gone on a hunger strike and had been taken from his home. Mr. Louis recently said Dr. Sakharov was in good health and released videotape showing the physicist holding magazines published in July.

Milt Freudenheim, Katherine Roberts and Henry Glinger

Verbatim: U.N. and Human Rights

"I spend much of my time, sometimes with encouraging results, on human rights and humanitarian problems, which I regard as uniquely important. Despite the existence of definitive norms developed within the United Nations, perceptions differ greatly. One person's freedom fighter is another person's terrorist; one's champion of human rights is another's subversive; one's plaintiff is another's criminal. The reality is that many are dispossessed, many confined, many tortured and many starve. This is the world we have to deal with."

Secretary General Javier Pérez de Cuéllar, in his annual report, issued last week as the United Nations begins preparations to mark its 40th birthday.

Salvador's 'Masas' Are Feeding the Revolution

By JAMES LeMOYNE

LOS LLANITOS, El Salvador — They call the Salvadoran Army "the enemy," refer to one other as "comrade" and say the leftist guerrilla forces that control a third of the countryside are "the army of the people." No one is certain how many Salvadorans feel this way, but it has been estimated that between 150,000 and 300,000 of the more than five million inhabitants of this small country actively support one of the five leftist factions making up the rebel Farabundo Martí National Liberation Front.

Most are peasants who live in rebel-held areas, politically committed civilians who are known as "masas," the Spanish word for masses. They feed guerrilla troops and provide intelligence on the movements of the Salvadoran Army. Their sons, daughters and husbands are very often guerrilla fighters. "We are those who work so that our troops can eat," said Tula Escobar, a 32-year-old resident of the village of Los Llanitos in a guerrilla-dominated area of Cabañas province, 45 miles northeast of San Salvador.

Mrs. Escobar and others like her have become an important factor in the country's civil war and a growing worry for Salvadoran President José Napoleón Duarte. His three-month-old Government appears to lack a coherent policy to deal with these backers of the guerrillas, although there are signs that he is trying to make good on his word to break with the hard-line policies of the past. Last week, for example, Mr. Duarte announced that he had issued new guidelines to the Salvadoran Air Force aimed at reducing civilian casualties. He said pilots must now be informed whether civilians are in a target area before they begin an attack and that the army high command is required to sign an order authorizing all air strikes. The instructions follow charges by the Salvadoran Roman Catholic Church and by United States human rights groups that the army and air force have purposely killed "masas" to break the guerrillas' peasant base. The Government and the United States Embassy in San Salvador deny that the military intentionally kills civilians who support the guerrillas.

The peasants in Los Llanitos, one of the most well-organized areas of guerrilla control, say the Salvadoran Army killed 68 "masas" from their village and surrounding communities during a sweep at the end of July. At his news conference last week, Mr. Duarte said he was still waiting for results of an army investigation into the operation. He said he had been told that some civilians had been killed, a statement that differed from a previous army statement that there were no reported civilian casualties. Mr. Duarte said the guerrillas' tactics were to blame for the threat to the villagers. "The terrorists are using the masses as shields and they are using the masses to provoke, exposing these people to be killed," he said.



Family of 'masas,' peasants who support the guerrillas, in rebel-held town of Los Llanitos, El Salvador.

The New York Times/James LeMoynes

The villagers of Los Llanitos say they are determined to continue to support the rebels. The same commitment can be found in guerrilla zones across the eastern half of El Salvador in the provinces of Chalatenango, San Vicente, Usulután and Morazán.

Many peasants in Los Llanitos and surrounding villages took their first steps on the road to revolution almost a decade ago when young Catholic priests came to the region, spreading the tenets of so-called liberation theology and its "preferential option for the poor." Soon the villagers were asking for higher pay at the coffee plantations, joining the peasant farmers' union and angrily confronting the landowners.

The reaction was harsh. In 1977, unknown gunmen killed Rutilio Grande, a local priest. The repression spread until killings by what came to be known as death squads had claimed peasant organizers and their sympathizers in the big villages in the valleys north of San Salvador.

Guns and the Gospel

By 1979, the machine gun had begun to bolster the words of the Gospel as radicalized peasant families joined the Marxist Popular Liberation Forces, one of the largest and best organized of the five guerrilla groups in the country. "First we organized ourselves by the Gospel," Napoleón Gamez, the 35-year-old political militia leader in Los Llanitos said. Then, he said, he decided to support the guerrillas because he knew "there was going to be a time in which we couldn't pro-

test, a time in which we would become slaves of the few for all our lives."

Mr. Gamez said his duties as militia leader in Los Llanitos were to guard seeds for the fields, oversee distribution of the corn and bean crop to 185 villagers and to the guerrilla combat units, and to prepare for evacuation during army sweeps.

There are few men of military age in the area, but boys and girls and older men and women work the fields, many wearing scraps of what appear to be the uniforms of Salvadoran soldiers.

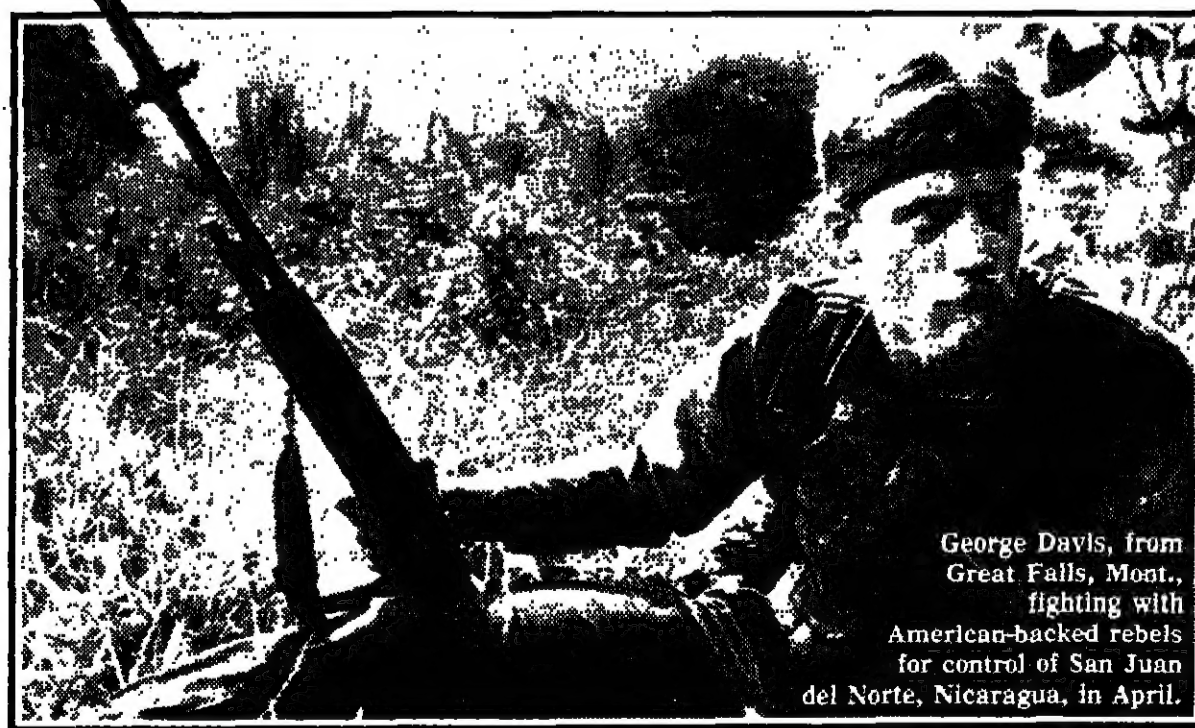
At night they revel in tales of guerrilla battles against the army, the most recent of which was an attack in June on the Cerrón Grande dam, seven miles to the north.

Every village in their area is organized to support the rebels, Mr. Gamez said, adding that those who did not back them moved out years ago. The lives of those who remain appear to be bitterly hard. Army sweeps have made it impossible to keep livestock, they said. The villagers live on beans, salt, tortillas and a few fruits.

Elvira Vides, a 23-year-old resident of Los Llanitos, said villagers had fled from the army 15 times in the last three years. Her cousin, Gloria Vides, was killed by soldiers during the last sweep in July. Mrs. Vides said, "The army believes if it kills the people of the 'masas' it will finish the army of the people," she said while making tortillas. "But we are decided. What happens will happen. It is worse away from here where there is no organization."

State Department and Pentagon Pull in Different Directions

Nicaragua Is Getting a Mix of Signals



George Davis, from Great Falls, Mont., fighting with American-backed rebels for control of San Juan del Norte, Nicaragua, in April.

Black Star/James Mackay

By PHILIP TAUBMAN

WASHINGTON — One day last week, Jeane J. Kirkpatrick, the American chief delegate to the United Nations, told a group of President Reagan's supporters that Nicaragua was a "Marxist-Leninist-Communist dictatorship that has offered itself as a base for the projection of Soviet power." She said Nicaraguan rebels deserved the support of the American people.

The next day another senior Administration official said that Secretary of State George P. Shultz might meet with Nicaraguan leader Daniel Ortega Saavedra next month in Panama to discuss the negotiations between Washington and Managua that began in June.

The two comments reflected an underlying ambivalence in policy toward Nicaragua that has grown sharper in recent months. Administration officials say the combination of belligerence and quiet diplomacy is part of a calculated effort to persuade the Nicaraguans to give up their support of guerrillas in El Salvador and disassociate themselves from Soviet and Cuban attempts to subvert Central American democracies. Critics say the combination has confused the Sandinistas and driven them closer to Moscow. Certainly the current relations between Wash-

ington and Managua show an unusual mix of truculence and diplomacy. In the last three years, as the Central Intelligence Agency has given money, arms, airplanes and advice to Nicaraguan rebels, in effect sponsoring a war against the Sandinistas, United States citizens and officials have traveled freely to Nicaragua. The State Department has denied visas to several Sandinista leaders, but permitted thousands of other Nicaraguans to travel in this country.

The Administration last year banned the import of most of Nicaragua's sugar crop, a severe economic blow, and has opposed loans to Managua by the World Bank and International Monetary Fund. But it has done nothing to keep out Nicaraguan bananas. While the Voice of America announced last week that it would begin increasing broadcasts into Nicaragua, Nicaragua's national airline, Aerolinea, was still flying into Miami and dozens of American corporations continued to do business in Nicaragua.

Even as negotiations between the two countries progressed at the Mexican Pacific resort of Manzanillo in recent weeks, the Administration said it had decided not to discourage American citizens and corporations or foreign governments from aiding the Nicaraguan rebels. Such aid became an issue this month after two Americans, members of a group called Civilian Military

Assistance, were killed when their helicopter was shot down in Nicaragua during a rebel air raid.

Officials from the C.I.A., State Department and Defense Department told the House and Senate Intelligence committees last week that the Government had had nothing to do with the raid or the participation of the Americans, but acknowledged that the Administration would not attempt to stop any legal effort to aid the rebels in the wake of Congressional votes against additional Federal support. They said that such private efforts did not violate the Neutrality Act, which bars Americans from involvement in military expeditions against governments at peace with the United States.

Meanwhile, State Department officials said the negotiations were unlikely to produce a major improvement in relations, but have included a serious discussion of security issues and an unexpectedly friendly exchange between Nicaragua's Deputy Foreign Minister, Victor Hugo Tinoco, and Harry W. Shlaudeman, President Reagan's special envoy.

The treatment of Nicaragua mirrors divisions among policymakers to some extent, according to Administration officials. They said that Mr. Shultz and Langhorne A. Motley, the Assistant Secretary of State for Inter-American Affairs, have advocated negotiating with the Sandinistas. Mrs. Kirkpatrick and senior officials at the Pentagon and C.I.A. have argued that even if diplomatic accords could be reached, the Sandinistas could not be trusted to honor them.

Most officials involved in the formulation of policy toward Nicaragua agree that the center of gravity rests not so much with the State Department as with the Pentagon and C.I.A., primarily because Mr. Reagan accepts their analysis of the Sandinistas as dedicated Communists. Mr. Reagan supports the negotiations, the officials said, but if the talks stall, American military pressure against Nicaragua is likely to increase.

Direct intervention is generally considered unlikely unless Managua takes delivery of advanced Soviet jet fighters or sends troops into El Salvador or Honduras, but officials foresee a resumption of large-scale American military maneuvers in the region and an escalation in rebel activities. Despite setbacks in Congress, including four votes by the House in the last year against additional aid to the rebels, the Administration hopes to obtain money for the insurgents later this month in a catchall spending bill.

With Inflation, Lebanon and West Bank, There Are Troubles Enough to Share

A Skeptical Israel Tests the Actual Value of Two Heads

By TERENCE SMITH

JERUSALEM — Imagine for a moment a dead heat in the American elections so close that the Republicans and Democrats had to get together to form an administration. Setting aside the Constitution, imagine an administration in which it was agreed that Walter Mondale would serve as President for the first two years, while Ronald Reagan acted as Vice President and Secretary of State. In the second half of the term, the two would reverse roles. Half the Cabinet would be Republican and half Democratic. In Congress, Republicans and Democrats would be asked to support the same legislation. . . .

Farfetched? It is only a little more incongruous in the American context than in Israel, where a so-called Government of National Unity, including both major parties, was formed last week. It is a novel experiment, based on a power-sharing agreement between the Labor Alignment and the Likud bloc, the two major groupings that have been battling each other during the 36 years of Israeli history. The Prime Minister's office and other key jobs will rotate after two years. Israel has never had anything quite like it before, and Israelis of every political stripe are quick to say that there is no way of knowing how well or whether it is going to work.

Shimon Peres, the Labor leader and the first of the rotating Prime Ministers, dubbed it a "Government of disagreement." Yitzhak Shamir, the Likud leader who is to succeed him in 25 months, called it a "great national adventure." Victor Shemtov, the Mapam leader whose faction broke with Labor and refused to join the Government, was more blunt. "A two-headed monster," he called it, noting that it could collapse as soon as one head

decided to devour the other.

The public's reaction seemed to be a mixture of hope and skepticism. The hope is that the two parties can find together the courage they lacked separately to cope with Israel's grave economic and political problems.

Another view was expressed by Amos Elran, a Labor Party activist: "The expectations for this Government are so low, it may surprise everyone and survive."

The list of problems facing the new Government is awesome. An economy ravaged by 400 percent annual inflation and dwindling reserves (a few hours after the new Government was announced, the consumer price index for August was announced: a 16.5 percent increase in prices over the month before, a record); the costly occupation of southern Lebanon, which last week claimed its 555th Israeli fatality, and deep divisions in Israeli society about the West Bank, social programs and laws governing religious observance. It is a list that would challenge the most stable government.

Will this new political hybrid be able to cope? There are two areas, the economy and Lebanon, in which its prospects may be brighter than those of a narrow government that would be headed by only Labor or Likud.

In the economic sphere, the problem is so acute, and the need for draconian austerity so clear, that the new Government is expected to be able to act immediately. A major devaluation of the shekel is expected, along with spending cuts, an increase in taxes and a wage-and-price freeze. Many Israelis believe that only a unity Government would be able to impose a package of such painful measures and make it stick.

As for Lebanon, there is widespread agreement on the next step, orderly withdrawal of Israeli troops once sufficient security provisions can be made on the ground.



Yitzhak Shamir and Shimon Peres signing power-sharing agreement last week.

This will be a tricky task involving new military arrangements and delicate political negotiations with Lebanese factions and, through the United States, with Syria.

Other issues are far more difficult because they threaten the political balancing act that is the essence of the new Government.

One such example is the divisive issue of adding to the 100 Jewish settlements established in the occupied West Bank in the last four years. Settlers usually arrive with tents and trailers and rapidly put up permanent housing developments. Labor opposes new settlements but was forced to agree to build five or six of the 27 additional settlements that the Likud Government approved in 1981 but did not get off the drawing board. That is the opening that many Israelis expect Ariel Sharon, the hard-line Likud leader, to exploit in his new position as Minister of Trade and Industry.

Sharon has other ideas. External events may also threaten the stability of the new Government. If the United States renews pressure for a freeze on settlements after the Presidential elections, if King Hussein of Jordan accepts Mr. Peres's invitation to come to the peace table, the grand coalition might well break down.

New elections would then be necessary and the basic political rifts within the country would come to the surface again.

For the moment, however, Israel has a Government with a commanding majority of 90-plus seats in the 120-seat Knesset. It has a Cabinet filled with experienced men (there are no women) including a former President, two former Prime Ministers and no fewer than five former Defense Ministers. And it has a long list of problems that are overdue for solutions.

Outrage Over an Opponent's Removal Could Affect Elections

Has Mrs. Gandhi Now Taken a Step Too Far?

By WILLIAM K. STEVENS

HYDERABAD, India — The sound, fury and legislative intrigue that focused India's attention on the state of Andhra Pradesh last week are seen by many of Prime Minister Indira Gandhi's opponents here as a message to her that enough is enough.

A month ago, in what was widely attacked as a "coup," forces allied with Mrs. Gandhi deposed the popular N. T. Rama Rao, the Chief Minister, of state premier of Andhra Pradesh. They did it although Mr. Rama Rao, a charismatic former film star, apparently had the backing of a majority of the state assembly. Last week, while Mrs. Gandhi's operatives here struggled to find a way out of what has become an acute embarrassment to her Government and a threat to her personal political standing, the assembly faction allied with her used delaying tactics in an apparent attempt to avoid as long as possible a vote on Mr. Rama Rao's reinstatement.

But the Rama Rao camp appeared to be holding firm with the enthusiastic backing of national opposition parties who appear united as they have not been since they briefly ousted Mrs. Gandhi in 1977. Yesterday, a 24-hour strike called by Mr. Rama Rao closed many offices, factories and shops in Hyderabad and 500 people were arrested as potential troublemakers.

Many intellectuals, opposition politicians and journalists say that Mrs. Gandhi and her circle are making a gradual but systematic attempt to assert their dominance at the cost of undercutting democracy. They complain of increasing centralization of power, with Mrs. Gandhi's loyal lieutenants in charge of state governments controlled by her Congress-I — for India — Party. They also see a tendency on her part to equate dissent with disloyalty. The state of Punjab is still under martial

law, three months after the army went in to root out terrorists. There have been attempts to control or shut out the press — foreign and many national reporters, for example, were barred from last week's Andhra Pradesh assembly session.

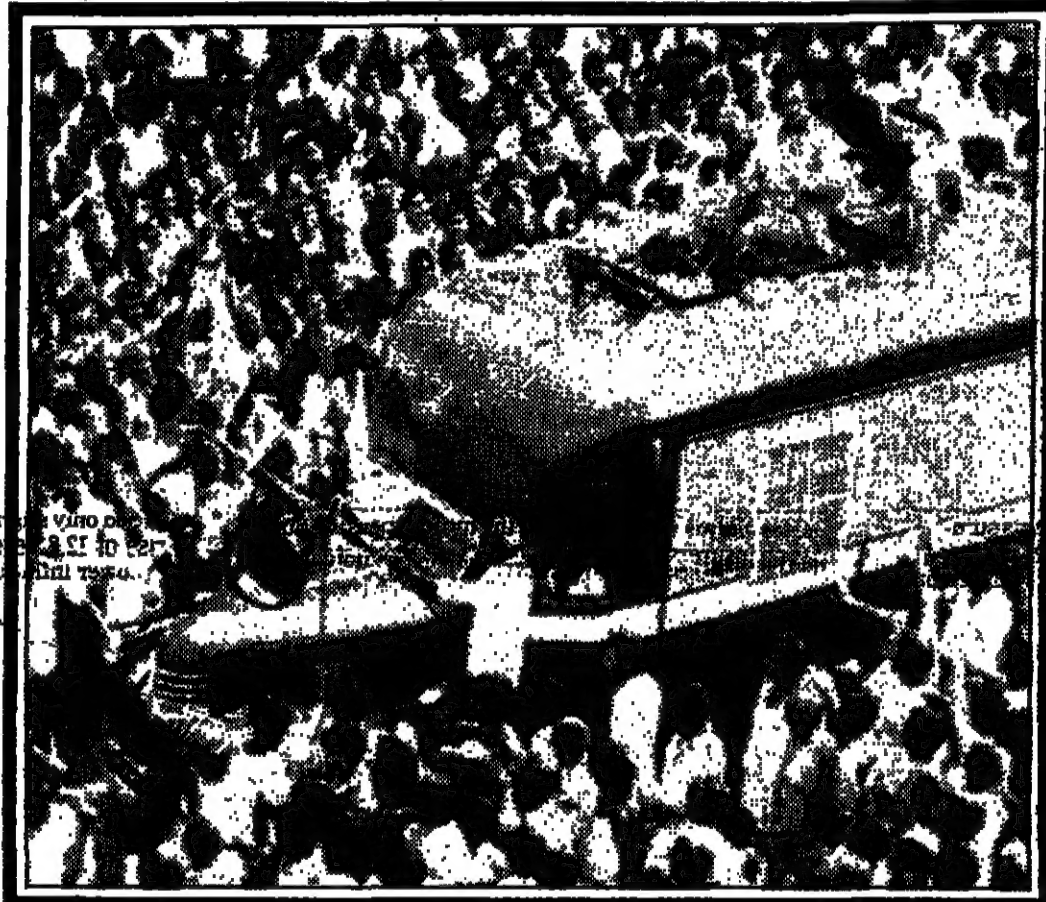
In the state of Karnataka late last year, evidence came to light that Congress-I functionaries were bribing members of the state assembly's ruling Janata Party to defect. The Janata leaders headed off Congress-I's attempts to obtain a majority in the assembly by quickly calling for a vote of confidence and winning it.

Success in Kashmir

In Kashmir in July, however, the effort to form a coalition government worked. The government of Chief Minister Farooq Abdullah, a bitter foe of Congress-I, fell when enough legislators of his National Conference Party defected, formed a rival faction and joined forces with the Gandhi camp to deny him a majority.

In a national election year, which this is supposed to be for India, this means much in terms of control of political patronage and organization.

Then in Andhra Pradesh a month ago, N. Bhaskara Rao, a co-founder of Mr. Rama Rao's Telugu Desam Party, defected and claimed to have carried enough of the party's members with him to deny Mr. Rama Rao a majority. Mr. Rama Rao protested and asked that the



N. T. Rama Rao, on roof of van, leading a procession through Hyderabad, India, last week.

matter be put to a vote. The Governor, a Gandhi appointee named Ram Lal, dismissed Mr. Rama Rao anyway and swore in Mr. Bhaskara Rao in his place.

The country's major newspapers almost unanimously condemned Mrs. Gandhi for the events in Hyderabad. This time, the anger seemed to spread beyond her usual opponents. It seemed to make no difference

that Mr. Rama Rao had been accused of nepotism and authoritarian rule. Mrs. Gandhi saw her standing plummet just as it had soared in the wake of her decisive handling of the terrorist problem in Punjab in June. The Gandhi inner circle, said to be stunned by all of this, forced its man, Mr. Ram Lal, to resign. In came S.D. Sharma, a Gandhi loyalist, to replace him, and, in the words of Arun Shourie, a journalist and author, "to get Mrs. Gandhi out of the mud." But that has proved more easily said than done. There is no sign that Mr. Bhaskara Rao has been able to gain a majority, or to shake any more legislators' loyalty to Mr. Rama Rao.

If that does not change, Mrs. Gandhi will have few options. Reports from within the Gandhi circle said the Prime Minister was eager to oust Andhra Pradesh's behind her that it will have faded by the time of the national election, due by Jan. 20. She can allow things to drag on, hoping for a change. She can admit defeat and allow Mr. Rama Rao to be reinstated. That would cause cheering among many in Andhra Pradesh and would, some analysts say, go farthest toward repairing the damage to Mrs. Gandhi's standing. But Mrs. Gandhi has never been one to bow to defeat easily. Or the central Government could declare "president's rule" in Andhra Pradesh and run things from New Delhi. This might provoke widespread outrage.

All of this brings to many minds the mid-1970's, when Mrs. Gandhi, unable to hold off forces ranged against her, declared an emergency in which civil liberties were suspended for 22 months. Mrs. Gandhi has said she would never call such an emergency again. But some Gandhi watchers believe that she is unlikely to call elections unless she is convinced she can win.

Apprehension Was Heightened Last Week as Ailing Prime Minister Flew to U.S.

Thailand's Top General May Covet His Country's Top Job

By BARBARA CROSSETTE

BANGKOK, Thailand — When Prime Minister Prem Tinsulanonda flew to the United States last week, exhausted, for a medical checkup at Emory University in Atlanta, he left behind an unstable political situation that seems to defy resolution.

On the surface, the issue is whether Thailand's Constitution should be amended to allow military officers to hold Cabinet positions. Influential officers and opposition politicians backing the change are demanding the recall of the legislature, which postponed the issue two weeks ago and recessed for the winter. On the other side, opposing the change, is an impressive array of past and present political leaders headed by Prime Minister Prem, a retired general who still uses his military title.

But larger questions underlie the dispute. Does the army, the dominant political force since absolute monarchy ended in 1932, sense that its institutional influence is declining? If so, will it take this opportunity to reassert its prominence, ending a slow move toward civilian democracy? Can civilian and military Thailand forge a new social contract? Will there be a coup, or is the army too divided?

The illness of the 64-year-old Prime Minister, who is said to be suffering from a heart ailment, has contributed to the tension. The absence from politics of "Pa" Prem, a quiet consensus-seeker less than halfway through his four-year term, may be seen by some officers as an invitation to meddle.

Though one of General Prem's deputies has already taken over as Acting Prime Minister, the instigator of the constitutional debate, Col. Phou Rattaprasertvit, says Thailand needs a stronger hand at the helm.

The stronger hand is widely assumed to belong to Gen. Arthit Kamlang-ek, Supreme Commander of the Armed Forces, an impulsive and impatient self-made man who helped put down a coup against General Prem in 1981. General Arthit has asked permission to retain his command next year, beyond the normal retirement age of 60. Many Thais assume he wants to keep his political base until General Prem is due to step down.

Many people believe General Arthit, sensing an even earlier political opportunity, was behind the constitu-

tional debate. One of his supporters was also an early supporter of Colonel Phou's proposal. Then, just before the vote, General Arthit suddenly stepped in and asked that the motion be withdrawn because it was too divisive.

In the last few weeks, before his departure for the United States, a subtle drama was played out around General Prem's sickroom. The procession of well-wishers was widely covered in the Thai press, which used every visit as a political barometer. Queen Sirikit called twice. Pictures sanctioned by the palace showed her sitting, Thai style, with General Prem on the floor. While

Thais are careful not to discuss the monarchy, which has an almost mystical place in the national consciousness, the visits appeared to be a royal vote of confidence. The King's support in 1981 was decisive in saving the Prem Government. Then came an offer of medical treatment from the United States, Thailand's most important ally. Ambassador John Gunther Dean brought a message of concern from President Reagan.

Pervasive Army Role

Large groups of army officers bearing flowers also came to call. The first contingent was led by General Arthit. The second, an elite corps of loyalists who had just received promotions in the annual military reshuffle, came without their Supreme Commander.

"Under the present circumstances," their spokesman said, "we believe Pa is the sole leader to whom we must lend support. We will not tolerate a game which is against the rules, especially the use of force, to pressure Pa to leave."

The army is not monolithic, as an unsuccessful rebellion by Young Turks demonstrated in 1981. Composed predominantly of ethnic Thais (as distinct from Chinese-Thais),

most of the officer corps is drawn from a well-bred middle class; their patriotism and sense of guardianship have not been seriously challenged.

But during the long years of army domination, while the country stumbled through 13 coups and attempted coups, the military got its hands into everything from running the city of Bangkok to heading corporations. While putting down guerrilla insurgencies in several parts of the country, it also became involved in development projects and assumed responsibility for refugees from neighboring Indochina. There were few who chal-

lenged its many roles.

Those days may be over. Thailand is developing rapidly, and an expanding middle class of willing intellectuals and technocrats is capable of taking on the governing of Thailand's literate, hard-working people. Their rise would leave the armed forces with little more than the job of defending the country's borders and dealing with further guerrilla warfare.

Whether the armed forces would be content with that role, particularly under General Arthit, is a question that worries many people here.



Prime Minister Prem Tinsulanonda (left foreground) reviewing Thai troops.

George Linton/News

Why the Dollar Stays Supreme

Economy

Many say that the strong economy — rather than high interest rates — is driving the currency up.

By ROBERT A. BENNETT

JUST last February, it was fashionable in financial circles to brood about the imminent collapse of the dollar. The only question seemed to be whether it would be a hard or a soft landing.

But the dollar confounded the markets and the pundits, as it has for much of the past two years. Rather than plummeting, it soared. And those who bet against it — including some of the biggest banks — have been sorely burned.

Indeed, last week the dollar was stronger than ever. It rose to record levels against the British pound, the French franc, and most dramatically, the German mark. In the case of the mark, the dollar cracked through a psychological barrier, and for the first time since floating exchange rates were introduced more than 11 years ago, it took three marks to buy one dollar.

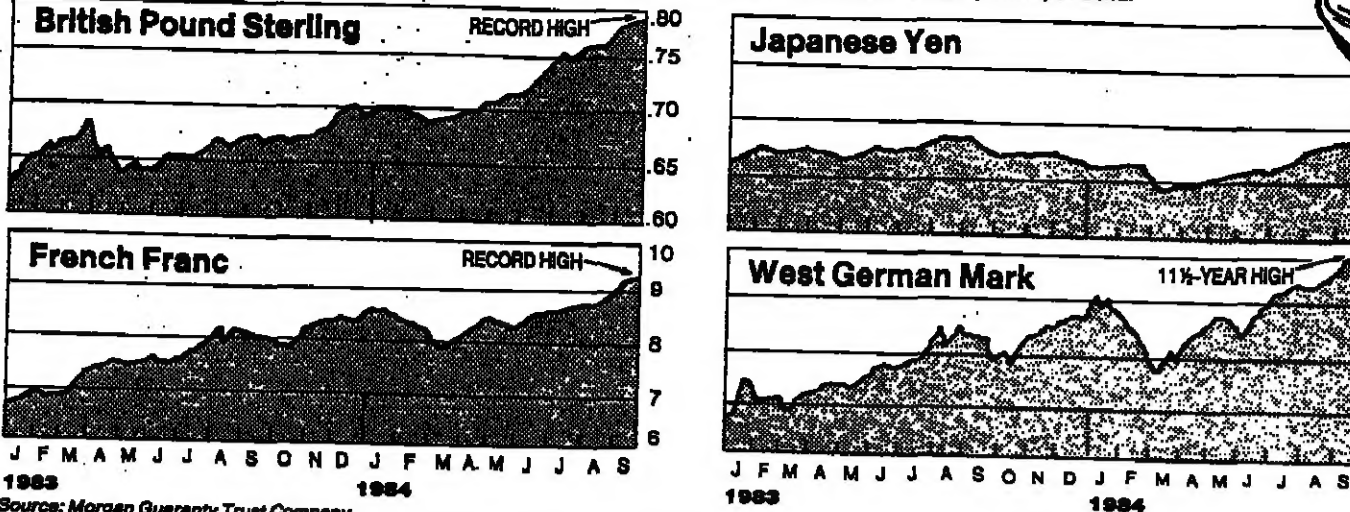
The recent rise was especially spectacular because, by the reckoning of previous years, it should not have happened. When interest rates in the United States decline, the dollar also is expected to decline. But the dollar's recent surge has occurred even though American interest rates have been moderating as of late.

And there was more news that should have depressed the dollar, but did not. Last month, the Commerce Department announced another whopping trade deficit, for July. Traditionally, the dollar declines when the trade deficit rises, because the gap between imports and exports ultimately must be financed — and that usually means pumping dollars into foreign money markets.

But in some circles, the dollar's persistent rise is no longer considered perverse behavior. A growing number

A Currency Shows Its Muscle

The U.S. dollar measured against four major currencies, denominated in number of foreign currency units per dollar



of economists, foreign-exchange traders and bankers are beginning to disregard the old verities and reassess their basic views on why the dollar is so strong.

"The skeptics are coming around," said Alan Melzer, professor of economics at the Carnegie-Mellon University in Pittsburgh. "They are beginning to understand that foreigners, like Americans, are investing in the United States because this is where the profit potential is."

There is a growing sense that the dollar's strength is not an aberration, but a reflection of a more permanent change in America's competitive position in the world. The dollar will continue to have its ups and downs, according to the new thinking, and there may even be a downward "correction" from the sharp gains of recent weeks. But, according to this analysis, the dollar has reached an

appropriate plateau and it is not likely to plummet to former levels.

Those who hold this view — and they still seem to be in the minority — contend that the American economy is regaining the leadership role it held for the two decades following World War II, when the United States set the economic pace for the rest of the world, and the dollar was the hot currency.

"No one should be amazed that it now takes three Deutsche marks to buy one dollar," said a New York banker who asked not to be quoted by name. "I remember back in the 60's, when it took four marks to buy a dollar." At that time, the dollar was in such demand that gold was being dumped to buy dollars. Today, the price of gold has been falling as the dollar rises, although at a slower pace. And the slower pace, some argue, is appropriate, too. Although the United States economy has become a powerhouse once again, it does not command the overwhelming dominance that it enjoyed in the years immediately following World War II. Thus, it is argued, the dollar does not belong at four marks, but neither does it belong at two.

"Most people can't believe that the dollar is fundamentally strong, because they can't remember before 1965," said David C. Redding, vice president and economist at the Bankers Trust Company.

As it was in the 1950's and 60's, the United States economy has again become a magnet for investment. Investors around the world have come to believe, according to a growing number of economists, that the United States offers incomparable economic growth and incomparable stability, both political and economic. This view is backed by figures that show that foreign investment in the United States surged to \$158.3 billion in the first half of this year, from \$33.9 billion for all of 1983.

"Right now," said Robert Heller, senior vice president of the Bank of America, "the U.S. economy is the strongest in the world and is attracting a lot of investment, both direct and portfolio."

Among the factors cited by economists is the low rate of inflation. Only last Friday, the Government reported a decline in the producer price index, a key indicator of inflation. And over the last 12 months, the index has climbed only slightly more than 2 percent, compared with a rise of 12.8 percent in 1979.

Lower inflation has buoyed the economy. Growth remains strong and, in the view of many economists, well balanced. Mr. Redding of Bankers Trust contends that lean inventories and hefty capital spending will result in greater growth ahead. In his view, increased spending on plants and equipment, by expanding industrial capacity, makes way for more non-inflationary growth.

"The performance of the U.S. economy has been so good compared with others, it is perceived as offering the best opportunity for 'real' investment," said Robert T. Parry, executive vice president and chief economist of the Security Pacific National Bank. "In a lot of countries people are saying, 'If I'm going to invest, I'll invest in the United States.'"

That feeling is especially strong in Europe. Just last week in Brussels, for example, Herbert Giersch, president of the prestigious Kiel Institute of World Economics, a West German think tank, predicted that the dollar's strength will endure for years.

Money is flowing into the United States not because of high interest rates and tight monetary policies, but because of the rising levels of corporate profitability, he said at a seminar sponsored by the Conference Board.

In Mr. Giersch's view, the recent bruising recession in the United States forged a highly efficient economy. He attributed the greater competitiveness of the American economy to several factors: The moderation of wage increases; the increased pace of deregulation in such key industries as transportation, finance and communications; the ready acceptance of new technology that enhances efficiency; and the post-recession creation of millions of new jobs.

Europe, by contrast, he said, is suffering from

"Eurosclerosis." He maintains that Europe has been slow to adjust to changing technology and competitive conditions. To catch up, it will have to cut real wages and adapt more quickly to technological change. That process, he predicted, will take at least 5 or 10 years.

This new perception of the longevity of the dollar's strength has also led to some rethinking about the factors that directly affect exchange rates.

For example, traditionally it had been believed that trade deficits — especially if they are persistent and large — should put severe downward pressure on an exchange rate. Indeed, during the 1960's and early 1970's, large trade deficits caused devaluations of such currencies as the British pound.

But now even the markets have been paying relatively little attention to the dramatic trade deficits reported by the United States. Most economists have attributed that disregard to the high level of interest rates in the United States: They say that investors are more eager to gain short-term yields from high interest rates than to worry about the future effects of today's trade gap.

"Foreign investors don't look at the trade deficit. They ask, 'What are my investment alternatives?'" said Mr. Redding of Bankers Trust.

According to Mr. Redding, some economists are going a step further in downplaying the importance of trade deficits. "They are not saying the trade deficit is to be dismissed, but that it should be seen in a broader context," he said. "To them, it makes more sense to lend a lot of money to a well-managed country than a little to a poorly managed one."

The growing optimism about the longer-term outlook for the dollar also fits well with the free-market philosophy that has become increasingly popular among liberal as well as conservative economists.

That view holds that the world economy is too complex to be fully understood by anyone — including the biggest governments or international organizations. Only the market system is capable of sifting the seemingly infinite bits of information and making sense out of them. And the answer comes out in the form of price — in the foreign exchange markets, the relative value of currencies.

"The market knows," said Mr. Heller of the Bank of America. "No ideas, it seems, are exempt from the general reassessment now underway. There is even rethinking about whether a decline in interest rates would hurt the dollar."

S. Waite Rawls, managing director of Chemical Bank, said that if the dollar's basic strength does stem from a robust economy, then over the long run lower interest rates should strengthen the dollar, because they would strengthen the economy.

In addition, some economists argue that there are built-in safeguards against a vast outflow of money from the United States if interest rates were to decline. The United States has become so dependent on foreign funds that a huge outflow, they say, would drive interest rates up again and cause money to flow back into the country.

There is even rethinking about the effect of a strong dollar on the nation's exports. Everyone agrees that the high value of the dollar has inhibited exports and encouraged imports, but some economists say that the ultimate effect of a strong dollar is positive for the nation's exporters.

A strong currency reduces the cost of imports needed for production. For example, when the dollar is strong, imported oil costs less in the United States than it does elsewhere. That, in fact, is why many Europeans, especially the French, have been complaining bitterly about the strength of the dollar.

In addition, a high-flying dollar makes American companies fight harder in both domestic and foreign markets, making the survivors ever more efficient. Not only does this directly enhance their competitive position, but it also contributes to reduced inflation in the United States.

Prospects

The Brakes Are On

The indicators are coming out, and they all say the same thing: the torrid first-half pace of expansion of the United States economy has cooled, bringing relief to those who feared more upward pressure on interest rates.

Wholesale prices and retail sales were both down in August, and industrial production edged up only two-tenths of 1 percent — the smallest increase in nine months.

The Government's "flash" estimate of third-quarter gross national product, to be released by the Commerce Department on Thursday, undoubtedly will reaffirm the slowdown. Economists predict that this summer's growth, adjusted for inflation, will turn out to be between 4 and 5 percent, down from the unsustainable 10.1 percent and 7.6 percent rates of the first two quarters of 1984.

Bankers Trust economist Jay N. Woodworth expects only 4 percent growth. "We had been at 5," he says, but the pinch in automobile supplies and the surge of imports prompted a retreat.

Wall Street has already reacted to the good news. Stock and bond prices surged last Thursday and Friday.

A Gambler's Gamble

The phenomenal growth of the American stock index futures and options markets is taking its toll of Britain's "turf accountants," the British bookmakers.

In Britain, betting is legal, and the turf accountants make book on everything from horses to chess games to stocks. Clients are betting on the indexes, too, but over all, laments David Brownstone, director of Ladbroke's, the biggest bookmaker, stock market betting is off by a lot. "We don't get many calls anymore from American portfolio managers and ordinary traders who laid off their positions by betting on our Dow Jones index," Mr. Brownstone said. "Now they are using the Chicago index markets" to hedge their investments.

In order to woo new clients, Ladbroke's is speeding up the payoff process. Starting next month, it will use Chase Manhattan Bank as a clearing house. Ladbroke clients who deposit money in any Chase branch can have their accounts debited and credited each Monday.

Screening Bad Risks

The beleaguered United States casualty insurance industry is about to get some more bad news. London's powerful insurance market, collectively known as Lloyd's, is ready to start turning down what it sees as poor risk policies from United States insurers.

"We can no longer accept the volume of poor risks that the American insurers have been assuming in their mad quest to fatten their books and raise their cash flow," said Michael Martin, chairman of the Clarkson Puckle Group, one of Lloyd's biggest members.

According to Mr. Martin, the "growth mania" of American casualty insurers in 1982 and 1983 "produced a sea of poor risks." Lloyd's, which dealt primarily with reinsurers, wound up saddled with many of those risks. "Now we are questioning all new business from reinsurers," he said.

It is too late for Lloyd's to question the business that may yet turn out to be its most expensive, though: claims from victims of asbestos-linked afflictions. "Asbestos claims will prove to be the most expensive burden on insurers' shoulders," Mr. Martin predicted.

Will Europe Buy Our Bonds?

How will European investors respond to the \$2 billion worth of four-year registered notes and bonds that the United States Treasury hopes to sell them?

The word in London is that Europeans will wait until the issues reach the secondary market, where they can buy them anonymously. The primary buyers of the bonds — which are being sold in minimum lots of \$50 million — will be large banking houses. As long as they declare that they are not acting on behalf of Americans, they need not identify the Europeans to whom they distribute the bonds.

That wrinkle represents a compromise between the Treasury, which originally wanted to issue no-name bearer bonds overseas, and Congress, which complained that such bonds would be too easy for Americans to get hold of, thereby avoiding taxation.

While the anonymity that the compromise provides to non-United States citizens will probably satisfy most Europeans, it is unlikely to pacify the Swiss. Anonymity is so sacred to the Swiss banking industry, notes Charles S. McVeigh 3d, managing director of Salomon Brothers, London, that anything that hints at leaving an avenue open to a client's identity will be rejected on a matter of principle. "We don't think Swiss bankers will be interested in the Treasury's new debt offerings," Mr. McVeigh said. "But once the issues are distributed," he added, "they will be actively buying and selling them."

H.J. Maidenberry, London

WEEK IN BUSINESS

Hollywood Shifts Its Chiefs Around

Hollywood produced its own version of musical chairs last week. On Monday evening, Alan Hirschfeld resigned as chairman of 20th Century Fox. A day later, Barry Diller, chairman of Paramount Pictures and a unit of Gulf and Western, announced his resignation to become new head of Fox. Michael Eisner, Mr. Diller's No. 2, also resigned from Paramount, while Frank Mancuso, president of Paramount's Motion Picture Group, was chosen to head the entire studio.

Analysts said the shuffle was precipitated by Fox owner Marvin G. Davis' dissatisfaction with the studio's performance at the box office. Meanwhile the relationship between Mr. Diller and Martin S. Davis, head of G.W., was reportedly souring. The shuffle may come to involve even more studios, depending on where Mr. Eisner ends up. As it was, three major Hollywood studios have lost their chief executives in the last two weeks. Early this month, Walt Disney Studios' chief executive, Ronald W. Millers, was forced to resign. And if past experience is a guide, the top-level departures should lead to major upheavals in lower management ranks. Stay tuned.

A big rally in the bond market persuaded institutions that the economy had indeed cooled down and that the Federal Reserve would slacken its monetary policy, and the stock market exploded toward the end of the

week on heavy volume. The Dow rose almost 30 points on Thursday and Friday, closing at 1,248.23, up 30.85 points. In the credit markets, interest rates plunged, particularly in the longer issues. Aided by an unexpectedly large \$2.1 billion drop in the basic money supply, the Government's 30-year bond closed yielding 12.13 percent, after beginning the week at 12.35 percent.

The economy continued to moderate. Industrial production rose a modest two-tenths of one percent in August, while retail sales fell eight-tenths. And inflation remained in check, with prices on the producer level dropping one-tenth of one percent in August — an indication that future consumer prices should remain steady. At the same time, the public continued to borrow for major purchases, as consumer installment credit rose \$7.1 billion in August.

Capital spending is the kind of investment economists look for in judging the long-term strength of a recovery. After consumer buying slows, corporate purchases of plant and equipment can provide steady, long-term growth. And the Government had encouraging news on this front. Spending plans by U.S. companies in 1984 have grown by 14.3 percent over 1983 levels. Moreover, some economists noted, the numbers grossly understate the vigor of new

capital investment because they omit foreign companies' spending.

Texas Instruments became the second semiconductor maker named for testing irregularities on the chips it has sold for U.S. military use. The Defense Department said it would probably investigate T.I.'s possible criminal violations of testing statutes, and added that it had stopped accepting products from 80 contractors who had used the company's chips in weapons systems. I.B.M. told the Government of the problem after using T.I. chips in bombing and navigational systems for military use. Government officials also indicated that a similar T.I. chip malfunctioned and delayed launching of the space shuttle in June. T.I. officials denied any knowledge of wrongdoing.

Decongestion. After several days of intense negotiations, airline and government officials tentatively agreed on a broad series of schedule changes to reduce delays at six major airports that were snarled all summer with backed-up flights. Under the agreement the number of flights at peak hours will be reduced at airports like LaGuardia and John F. Kennedy International, but will actually increase at Newark International. The new schedule will take effect Oct. 28, when air travel normally diminishes, but experts questioned whether the plan would stop new delays next summer when air travel picks up.

Buying the Store. Senior management at ARA Services, the world's largest food service company, won board approval for a leveraged buyout worth more than \$850 million. The group, headed by ARA's chief executive Joseph Neubaum, topped a \$732 million buyout bid by a former ARA executive made last July — a bid the company's board rejected. ARA operates a Pentagon cafeteria that serves 20,000 people daily, plus a cafeteria at Boeing serving more than 50,000 employees. The company said up to 80 percent of its management would be invited to participate in the buyout.

Pan Am breathed new life into Airbus Industrie, the European aerospace consortium, by placing a \$1 billion order for 28 aircraft between 1987 and 1990. The U.S. carrier also agreed to lease some 16 Airbus A300 until 1987. Airbus has struggled for almost a decade to compete in the commercial aircraft market with Boeing. While Boeing is still the dominant force in the industry, analysts said, losing the order from Pan Am, one of its best customers, was a major defeat for Boeing.

Addenda. Waste Management will sell about 40 percent of SCA Services to Genstar of Canada, to meet the Justice Department antitrust demands in its \$423 million takeover of SCA.

The New York Stock Exchange

MOST ACTIVE STOCKS WEEK ENDED SEPTEMBER 14, 1984				
(Consolidated)				
Company	Sales	Last	Net Chng	
Am E	7,867,700	25%	+	%
Am Exp	6,211,800	34%	+	3
Exxon	6,181,800	44%	+	1%
IBM	5,742,600	126%	+	5%
Fin Cp A	5,419,000	7%	+	1%
AT&T	4,900,900	19%	+	1%
Fed N M	4,825,300	15%	+	%
N Seml	4,150,700	14%	...	
Phbrs	4,041,800	33%	+	2%
All Rich	4,029,500	51%	+	2
Citicorp	3,843,000	38	+	3%
Pac GE	3,841,300	14	+	%
Bell So	3,751,000	32%	+	1
AMP	3,841,800	32%	+	2%
Ford M	3,808,400	45%	+	2%

Standard & Poor's				
400 Indust	192.1	185.1	191.1	+4.47
20 Transp	144.3	134.5	142.2	+8.21
40 Util	70.1	67.8	70.0	+1.88
40 Financial	18.0	16.5	17.9	+1.12
500 Stocks	169.6	163.0	168.7	+4.41

Dow Jones				
30 Indust	1248.2	1189.8	1237.5	+30.14
20 Transp	534.1	500.8	526.5	+19.11
15 Util	133.6	127.2	132.8	+3.70
65 Comb	484.8	460.5	480.1	+13.43

The American Stock Exchange				
MOST ACTIVE STOCKS WEEK ENDED SEPT. 14, 1984				
(Consolidated)				
Company	Sales	Last	Net Chng	
WangB	1,665,900	27%	+	%
Astro	1,071,500	3%	+	%
Crysl	991,400	6%	+	%
DomeP	673,200	2%	+	%
Hasbro	610,800	50%	+	1%
GNC	571,500	14%	+	%
MPHnt	567,300	22%	+	%
TIE	535,000	12%	+	1
WDigt	476,900	10%	...	
DirAct	440,200	8%	...	

MARKET DIARY				
Advances	Week	Declines	Week	Prev. Week
Advances	1,411	791		
Declines	584	1,139		
Total Issues	2,252	2,208		
New Issues	120	72		
New Lows	31	27		

VOLUME				
(4 P.M. New York Close)				
Company	Last	Week	Year	To Date
Total Sales	501,772,810	16,464,441,163		
Same Per. 1983	407,391,050	15,273,500,152		

WEEK'S MARKET AVERAGES				
(4 P.M. New York Close)				
Company	High	Low	Last	Change
New York Stock Exchange	114.4	110.6	113.9	+2.59
Indust	89.1	84.8	85.4	+2.24
Transp	47.5	46.4	47.5	+0.87
Util	63.8	59.1	63.4	+4.73
Finance	97.4	94.0	97.0	+2.36
Composite	97.4	94.0	97.0	+2.36

MARKET DIARY				
Advances	Week	Declines	Week	Prev. Week
Advances	466	301		
Declines	287	445		
Total Issues	807	900		
New Issues	35	45		
New Lows	28	16		

VOLUME				
(4 P.M. New York Close)				
Company	Last	Week	Year	To Date
Total Sales	33,396,875	1,087,083,770		
Same Per. 1983	30,296,400	1,570,733,444		

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE DRYFOOS, Publisher 1961-1963

ARTHUR OCHS SULZBERGER, Publisher
A. M. ROSENTHAL, Executive Editor
SEYMOUR TOWING, Managing Editor
ARTHUR GELB, Deputy Managing Editor
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LOUIS SILVERSTEIN, Assistant Managing Editor
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ELISE J. ROSS, V.P., Systems

A Russian Is Coming. Then What?

Walter Mondale thinks it's "pretty pathetic" that President Reagan's first encounter with a Soviet leader will be with Deputy Premier Andrei Gromyko and not the top man, Konstantin Chernenko. What's really pathetic is that there's any fuss being made about this meeting. How can a photo with Mr. Gromyko prove the President's desire for arms control? And why would Mr. Mondale let the vast issue of Soviet relations degenerate into the silly symbolism of who meets whom when?

The critical question is which man will better manage relations with Moscow, a task that requires neither novel doctrine nor sudden breakthrough but a mastery of history, diplomacy and technology.

Mr. Mondale is the graduate of an Administration that wound up confusing the Soviet leaders and much of the American electorate. Mr. Reagan's has embittered the Soviet leaders and frightened much of the electorate. Choosing between them requires knowing not their appointment calendars but their states of mind, what they think they now know about how to deal with the Soviet challenge.

The former Vice President should have foreseen that the Russians, for all their dislike of the President, had ample reason to accept an invitation: to prove their sincerity about arms control. Polls predicting the President's re-election offered another reason: His victory could then be interpreted as the voters' approval of Mr. Reagan's election-year yearnings for negotiation instead of his first three years of cold-war agitation. Any doubt the Russians may have had about also giving the President a campaign boost was surely overcome by his simultaneous offer, to the Kremlin and to Kansas, to double America's grain sales.

It is Mr. Reagan's approach to wheat sales that illustrates what's really wrong with his approach to arms control. He eagerly made a grain deal that

serves American interests even though it also serves a major Soviet interest. He promised no more boycotts, thus insulating the deal from future crises. And he put bread and meat on Soviet tables, virtually abandoning his hope that economic exhaustion and consumer discontent would force the Russians to drop out of the arms race.

Mutual benefit, continuity and an end of the quest for superiority — these are equally essential to effective arms control.

The President shattered continuity by refusing to seek ratification of SALT II even as he observed its terms. He's created the impression that he seeks superiority, not just parity, in strategic weapons. And to a radical buildup in offensive weapons. He has added the quest for a "Star Wars" missile defense, staggeringly expensive and leading toward renunciation of still other treaties.

Mr. Mondale needs to demonstrate how his sloganeering about a nuclear "freeze" and series of summits can produce more significant and ratifiable accords than were achieved by the Carter Administration. Mr. Reagan bears the even larger burden of demonstrating how his policies over four years, and prior disdain for arms control, square with his recent professions of interest.

Of late, Mr. Reagan has said that the illness and turnover of Soviet leaders has left him without a negotiating partner. He has also argued, contrariwise, that only his tough stance stopped these enfeebled adversaries from aggressions the world over. Now, in an hour, he aims to prove to Mr. Gromyko that Americans "mean no harm." And Mr. Mondale worries that Mr. Chernenko may not get a good translation.

It's hard to know which is the more pathetic: this brand of diplomacy or this kind of policy debate. Perhaps when the candidates finally meet on television, they'll discuss the Soviet issue in words worthy of the job they seek.

Suffering in the Streets

"Deinstitutionalization" is a 22-letter mouthful that once referred to a reform of the mental health system. Now it should be read as a euphemism for official cruelty. A fortnight new report by the American Psychiatric Association makes that clear — and belatedly underlines the heavy obligation of state officials to do something about it. New York, which led the deinstitutionalization movement, should be among the first to take responsibility for correcting its failure.

The idea began in the 1960's with popular revulsion against the huge, cruel institutions that had for years warehoused the mentally ill. Hundreds of thousands of chronically ill patients were discharged from overcrowded state hospitals in the belief that their treatment could continue more humanely in the community.

In most places, and especially in New York, that promise was broken. State funds for mental health still poured into the rural hospitals. Cities, already financially burdened, had to cope with a dramatic influx of people unable to take care of themselves. Many of these people joined the "homeless" and were warehoused in a different way: in single-room occupancy hotels or shelters of Dickensian squalor.

This policy disaster should have been addressed years ago, but only the litigation by a few dedicated reformers has forced some relatively meager remedies. Even now, Albany resists a suit that would require a greater commitment to community care.

Why? State leaders fear the power of the hospital bureaucracy, its unions and the towns that rely on it for jobs. Yet the hospitals wield more influence than they deserve in Albany. People in city neighborhoods, meanwhile, irrationally protest building more residences for the mentally ill even as they complain about their presence on the street. And there's no one lobbying for the objects of all this social experimentation, the sometimes fragile, some-

times freaky, usually pathetic mental patients.

Their uncertain fate leads some authorities to suggest sending them back to the state hospitals — reinstitutionalization. But it was those awful hospital wards that brought on reform in the first place. In New York, putting the old buildings in shape to care decently for tens of thousands of patients would cost many millions. Community care has been shown to be better and cheaper.

Of the \$1.4 billion New York spends annually on mental health, only \$400 million goes to communities. What might be accomplished if more patients were liberated from the upstate hospitals?

More low-cost housing, to stabilize the lives of those able to function on their own. More small residences, offering supervision and treatment on a manageable scale. More "drop-in" shelters where the fearful may show up for help on their own terms. More outreach that permits social workers and therapists to take the initiative. More accountable case management to prevent patients from escaping the now fragmented system.

The first step, however, is for Albany to accept responsibility for righting the wrongs of deinstitutionalization. That presents a real test of leadership. The urban public needs to learn that small, well-managed residences for the mentally ill will intrude much less on city life than the fewer large and poorly run shelters now in place. Upstate towns and hospital workers need to understand that their interests can't block the state's obligation to the mentally ill and to cities.

The lead has to come from Governor Cuomo. When city hospitals and their workers recently pressured him to abandon a cost-containment program to settle their strike, he stood admirably for principle. Will he do so for the state's chronic mentally ill, who continue to suffer in the streets?

Topics

The Iconoclast

James Miller, the current chairman of the Federal Trade Commission, calls Michael Pertschuk a "chronic complainer." Mr. Pertschuk probably would take that as a compliment. And with good reason.

Mr. Pertschuk, a witty, restless, outspoken Congressional staff director, was appointed by President Carter to head the F.T.C. in 1977. From the start, he was an iconoclast of regulation, challenging Government to break away from its traditional deference to special economic interests. Sometimes, his enthusiasm reached extremes that made even admirers uneasy. Few were happy about his proposal to restrict television advertising aimed at children.

But he was eager to attack sacred cows, first as chairman and, in the Reagan years, as a commissioner for the rest of his seven-year term, which expires this month. Life insurance, funeral directors, used-car dealers and others felt the effects of his boldness and legal ingenuity. These traits

Altered States

made him a hero to those who believe that big government isn't necessarily bad government. If that's chronic complaining, Washington can stand more of it.

Dining à la Cart

A State Supreme Court justice has upheld the city's right to ban sidewalk vendors from certain areas, but Mayor Koch has decided, wisely, not to push that right to a painful extreme. The Department of Consumer Affairs' proposal to extend the ban to 65 more streets would have put many New Yorkers out of a cheap lunch — and many vendors out of a job. Most of the streets are in mid-Manhattan, thick with people and thin on restaurants. Now it's up to the City Council to issue restrictions that will decongest but preserve dining à la cart.

The Zucchini Disaster

For gardeners, 1984 has been a time

of trouble and a test of faith. Their tomatoes, peppers and eggplant ripened, sure enough. What's almost inconceivable is that the zucchini let them down.

This steadfast squash is usually the most manic of vegetables. Get it past the vine borer and it will produce beyond reason, or need. What was finger-sized on Monday afternoon will, by Wednesday morning, have turned into a foot-long green giant. Zucchini come so fast that cooks grow desperate trying new ways to prepare them. Growers turn devious trying new ways to unload the surplus.

But this year, after starting off pretty much in their overproductive fashion, the zucchinis suddenly stopped bearing. Analysts trace the disaster, in part, to the cold wet spring, which kept plants from setting blossoms normally. Most of the blame, however, falls on a two-week hot spell in July when the nights were also hot. That insured 1984's barren result. Not only was there no surplus zucchini; there wasn't even enough.

Letters

Archbishop O'Connor's Error on Abortion

To the Editor:
I write as the Catholic theologian who occasioned Geraldine Ferraro's statement that "the Catholic position on abortion is not monolithic." Archbishop O'Connor's criticism of this idea would be more honestly directed against me and other Catholic theologians who do not share his monolithic views on abortion, rather than against Ferraro.

Ferraro's use of the disputed phrase was in a letter from her and Representatives Thomas Daschle of South Dakota and Leon Panetta of California welcoming their Catholic colleagues in Congress to a breakfast briefing on "The Abortion Issue in the Political Process," at which I was one of the speakers.

The three Congressional sponsors of the briefing had been accurately informed that my talk would explain that the Catholic position is pluralistic rather than monolithic on both the moral question and the public policy question. Their accurate re-

porting, in their welcoming letter, of the fact that this would be part of the briefing does not constitute an endorsement of my views.

Even prescinding from his current unfair attack, Archbishop O'Connor wrongly treats Ferraro as if she were outside the pale of acceptable Catholic opinion and belief on the abortion issue.

In fact, Ferraro is more conservative than she need be as a Catholic in her personal beliefs about abortion, and on the question of the personhood of prenatal life she is more conservative than even the Vatican.

Ferraro stated in the Congressional Record in 1979, "As a Catholic I accept the premise that a fertilized ovum is a baby." Yet the 1975 Vatican Declaration on Abortion stated that it would "leave aside the question of the moment when the spiritual soul is infused" and conceded that "there is not a unanimous tradition on this point and authors are as yet in disagreement."

Archbishop O'Connor's basic problem is that he is not a theologian, nor do I as a theologian find him well informed on the complex Catholic theology of abortion. If a non-scientist were pronouncing on science on the front page of The Times, you can imagine how scientists would squirm.

The Vatican Council II should have taught Archbishop O'Connor that the church is not constituted by the bishops alone, but by all of us. Thus, even if the bishops are monolithic on some issues, it does not mean that the church is.

Moreover, there is civic danger in the Archbishop's theological confusion. The bishops are just as monolithically opposed to contraception as they are to abortion. The next logical step, then, would be to press Catholic politicians to work toward making contraception illegal.

DANIEL C. MAGUIRE

Professor of Moral Theology

Marquette University

Milwaukee, Sept. 12, 1984

Medicare Doctor's Fee Containment Gone Awry: A Case in Point

To the Editor:
On July 19, the Deficit Reduction Act of 1984 became law. It establishes a freeze on Medicare reimbursement for doctors' services, creates a participating-doctor program and prohibits doctors from raising their charges to Medicare beneficiaries.

I would like to let you know what this most recent example of the President's version of "taking government off the backs of the people" means to me.

For many years I have limited my practice to the care of the elderly, and all my patients are Medicare beneficiaries. Throughout the last seven years, I have maintained my basic office visit fee at \$16, despite escalating rent, malpractice insurance premiums and cost of medical materials — all in the belief that I, unlike the Government, would not balance my budget on the backs of the elderly. It is gratifying, but not surprising, that all my patients pay their bills promptly, even though they get as little as 50 percent reimbursement from Medicare.

This fall, I planned to increase my fee to \$18 because of increased losses in my practice. I have now received a letter from the Medicare intermediary threatening me with "civil money penalties up to \$2,000 per violation" every time I charge the new fee.

So I will be closing my office on Sept. 30 and advising my patients to seek help at the emergency-room of the local hospital, which has just received approval from the Government for an increased rate of \$99 per visit.

RAYMOND VICKERS, M.D.

Delmar, N.Y., Aug. 31, 1984

Good Guys vs. Bad Guys

To the Editor:
My reading of the provisions of the Deficit Reduction Act of 1984 as it pertains to Medicare reimbursement for physician services leads me to think that the Congress may have passed, and President Reagan

signed, an unconstitutional measure. Physicians who do not agree to participate in Medicare by accepting fees determined by that agency will be subject to civil damages if they raise their fees above the levels set in April-June 1984. Furthermore, they



will be unable to raise their fees in 1985 and 1986, even though participating physicians may be able to do so.

This clearly discriminatory legislation is aimed at only a single profession — and at dividing that profession into "good guys" (participants) and "bad guys" (non-participants).

To make the discrimination even more invidious, Medicare promises to reward participants alone by publishing their names in an annual directory available to the public, by maintaining a free telephone service to inform the public about participants and by providing participants with a certificate for display.

To my knowledge, no other professional or occupational group in American society has been so harassed at any time in our history.

All of this is being done in the name of reduction of the swollen costs of Medicare — a laudable aim. It would have been far simpler, however, and nondiscriminatory, if Medicare carri-

ers had simply set indemnity limits for individual services and allowed the differences between these limits and the actual charges, if any, to be settled privately between patient and physician.

The present law, by providing civil penalties for certain physicians, and only physicians, encourages civil disobedience. It should be repealed promptly, lest someone get the idea that legal and other professional fees should be similarly controlled.

HARVEY J. DWORKE, M.D.

Professor of Medicine

Case Western Reserve University

Cleveland, Sept. 7, 1984

Prelude to Socialization

To the Editor:
The portion of the Deficit Reduction Act of 1984 which demands that American physicians choose by Oct. 1 whether to participate in the Medicare plan (largely ignored by the news media) is surely one of the politically most liberal pieces of legislation to come before the Congress in a long time — and the most liberal piece of legislation ever to be signed into law by President Reagan.

Participation means that a physician must accept the Medicare-approved level of payment as his or her full fee (patients will still be responsible for co-insurance and deductibles). A nonparticipating physician may choose not to accept assignment and may be subjected to various penalties and close governmental scrutiny of his or her fees.

The likely result is that a majority of doctors in the United States will be working for the Government — with their fees totally controlled.

Thus, our conservative President has managed to pre-empt Mr. Mondale, Mrs. Ferraro and Mr. Kennedy with one giant step toward the socialization of American medicine.

ALBERT F. R. ANDRESEN JR., M.D.

New Rochelle, N.Y., Sept. 10, 1984

Coca Tea to the Rescue

To the Editor:
Nina Marshall's letter of Sept. 12, on the Andean's need to retain at least some of their coca plants, brought strongly back to mind an experience my wife and I had with the beneficial use of this plant.

In 1968, we took a trip to South America and spent a night in Cuzco, preparatory to visiting the great Inca city of Machu Picchu. Cuzco is located 11,000 feet above sea level, twice as high as we'd ever been (except in a pressurized airplane), and it gave Muriel a dreadful headache. She was really wiped out, and we seriously considered flying back to Lima and missing the whole point of the trip.

However, her experience was obviously not unique. On the inside of our hotel room door was a sign:

If you don't feel well:
1. Lie down for a while.
2. If you still don't feel well, call down to the desk and we'll send up some Coca tea.
3. If you still don't feel well, call again and we'll send up a doctor.

We got only to No. 2. The coca tea worked like magic, and we got to see Machu Picchu after all.

ARTHUR J. MORGAN

New York, Sept. 12, 1984

What Agribusiness Is Doing to Antibiotics

To the Editor:
In "The Squandering of a Panacea" (editorial Sept. 10), you correctly describe the now-convincing scientific evidence that, when antibiotics are fed to livestock, the development of antibiotic resistance in their bacteria can be transferred to bacteria that cause human disease. This renders these antibiotics ineffective for their principal use, treating infectious disease.

What you did not mention is that antibiotics are primarily used to promote growth in livestock that is "factory-farmed." These drugs are unnecessary and less effective for promoting growth in chickens, pigs and cattle that are raised under traditional methods in humane and uncrowded conditions.

In other words, the loss of our precious antibiotics to medicine is yet another of the many hidden costs of modern agribusiness. True, chicken, in real economic terms, costs less now than it did in 1940, before the era of chemical farming. But those of us who know what antibiotic-resistant

Desirable Falklands

To the Editor:
I have just returned from the Falkland Islands to find the usual silliness about them being perpetuated in the press ("Albion in the Falkland Fog," editorial July 30).

Samuel Johnson, in 1770, simply gave the place a nasty description in order to make people think as he did about the issue of sovereignty. The climate is in fact not particularly harsh. The islands are not "bleak and gloomy" or "barren in summer"; they are not even foggy. Other sources fairly record the fertility of the soil and the pleasant, brisk climate. I can agree, having been in many locations on the islands through summer and winter.

The Falklands are heavily guarded from the Argentine colonialist aggressor, but the place seems scarcely a fortress to the 1,800 (not 1,400) islanders. By their own testimony, their peaceful lives go on essentially as before. They want to keep it that way. Other people have the right to determine their own fate after 150 years of living in one place. Let the Falklanders have that right too.

The Falklanders are no white elephants; if they were, Argentina would not want them. JULIA CARRAGAN

Troy, N.Y., Sept. 10, 1984

On Requiring Truth About Textile Imports

To the Editor:
Your response to the newly promulgated country-of-origin rules governing textile and apparel imports (editorial Sept. 8) was predictable. Any policy that considers the jobs of two million American textile and apparel workers (there used to be 2.5 million) is a priori, in your view, bad policy.

What is surprising is your apparent willingness to sanction behavior that is at best in violation of international agreement and at worst illegal. The issue is simple: If an imported product is claimed to be produced in country X, it ought to be produced in that country, not just packaged in or transshipped through it. All our Government has done is ask exporting nations to tell the truth. When country Y uses country X's quota because X's quota is larger than Y's or Y has used up its own quota, our Government has given notice that falsification of origin to achieve these illicit ends will no longer be permitted.

This is a scam that has been going on for 20 years, and one which certain nations have used to avoid having their exports assessed the proper and legal U.S. import duties, to distort the data defining their balance of trade with the U.S. and to gain market access they could not otherwise achieve.

In the final analysis, these new rules will not, as you say, impact American consumers, but they will certainly impact those overseas operators who have grown quite wealthy peddling the product of \$1-an-hour labor. If you wish to advocate a cause, it ought to be the cause of those who park their Fords and Chevys outside American textile plants, not those who park their Rolls-Royces outside the Peninsula Hotel in Hong Kong.

C. V. BREMER

Parlin, N.J., Sept. 10, 1984

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WASHINGTON
James RestonYou Can
Go Home
Again

URBANA, Ill. — Many old folks in this gypsy country would probably agree with Thomas Wolfe that "you can't go home again," but after coming back here to the University of Illinois for a 50th class reunion, I disagree.

Nothing makes the nation seem larger or the individual smaller than returning to the campus half a century after they turned you loose. Sometimes you have to go home again — if you can remember where it is — to understand the meaning of time and the power of ideas.

It was here in Illinois that Justin Smith Morrill, former Senator from Vermont, convinced President Lincoln to take time out during the Civil War to provide Federal land for the creation of "seats of learning" for the education of the children of the poor.

You should see these land-grant colleges now: in Chapel Hill, N.C., where Thomas Wolfe and two of my own sons went to college, or in Champaign-Urbana, where I met my wife, who assumed the formidable task of educating me.

This place is now jumping with life. According to Chuck Flynn, another old scribbler on the Champaign-Urbana News-Gazette, there were 10,892 "students" here 50 years ago and there are now over 32,000. The budget of the university that year was \$6.5 million; it's now \$491.6 million. Today everything is bigger, noisier and dirtier, but by some magic, while everything looks different to the old generation, it probably seems the same to the new generation.

The Big Prairie and the Big Sky still dominate the growing towns of Champaign-Urbana. The big student body is composed of young men and women who, as usual, are still more interested in one another and in biology than in any other subject.

Some things are different. Back yonder, we were instructed by Tommy Arlie Clark, the dean of men, to "keep off the grass" in the lovely quadrangle between the colleges. And the dean of women, Maria Leonard, warned the young women not to wear red dresses on the theory

Fifty years
later,
campus life
is the same,
but different

that this might arouse the passions of young men.

Now the grass is a coeducational picnic and mating ground. The boys in their jock-strap shorts and the girls in their cut-off jeans leave little to the imagination, which may explain why they are more interested in having fun than in having children.

Football is different, too. They've put the "foot" back into the game since the drop-kicking days of "Frosty" Peters here. Red Grange is still vaguely remembered as the runner who left Michigan in the dust, but now there is no dust on these plastic gridirons and the runners have been replaced by passers.

Yet the other day when we watched Illinois beat Missouri with the help of a running clock and a driving rainstorm, almost 80,000 spectators — the largest crowd in Illinois football history — wandered across the campus through the mist and one wondered what they thought.

They were clearly drenched but happy. In these indecisive days of politics, sports are at least decisive. They have rules and referees and everybody knows at the end who won. And there were symbols on the fringe of this campus that would probably have pleased Senator Morrill and President Lincoln.

There was, first, the vast crowd in Memorial Stadium, one of the few noble sports arenas in the land, with its columns high above the field, dedicated to remembering the forgotten heroes of forgotten wars. And behind the stadium in the rain are the university's experimental agricultural plots, which probably few people notice.

But in looking back over the long history of this university, I think that it is probably on the land, rather than in the machine shops or even the scientific laboratories, that America has led and is still the envy of a hungry world. And the land-grant colleges were undoubtedly the seedbed of that agricultural revolution.

So it was good to go home again and see what institutions do for the continuity of ideas and life. I was a little sorry for the students on two counts. They have so many varied choices now. They cannot quite appreciate the simplicity of the adversity of the Depression days, when we expected so little and got so much.

Also, while the girls seemed recklessly smart and pretty, they didn't seem nearly as smart or pretty as the one I took away 50 years ago.

By Thomas Sheehan

CHICAGO — The Vatican's long-standing campaign against the use of Marxism in Catholic social thought has come to a head this month — in the threatened censure of four Nicaraguan priests, the interrogation of a prominent Brazilian theologian, Leonardo Boff, and, most troubling of all, an uncompromising document condemning "certain forms of liberation theology." Breathlessly alarmist in tone and ill-conceived, this document was one of the most insidious to

Thomas Sheehan, professor of philosophy at Loyola University of Chicago, is writing a book about the origins of Christianity.

Public
Morality,
Not
Religion

By Henry Steele Commager

AMHERST, Mass. — The great tradition of American churchmen, from William Ellery Channing and Ralph Waldo Emerson and Theodore Parker to Washington Gladden, James Cardinal Gibbons and Reinhold Niebuhr, is that of the moral crusader. They preached public morality, not public religion. No one can question the right of, or the duty of, churchmen of all denominations today to preach morality and religion: it is when they connect morality with a particular brand of religious faith and this, in turn, with political policies that they venture into troubled waters.

It is precisely here that the so-called Moral Majority and Roman Catholic Church have been successful beyond all expectations — and bounds. They have managed to inject religion into politics more wantonly than at any time since the Know-Nothing crusade of the 1850's, and to enlist President Reagan as spokesman. It is a title he would no doubt repudiate, yet by identifying religion with morality, and morality with politics, he has challenged the spirit, if not the letter, of constitutional restrictions on the alliance of church and state, and almost recklessly invited renewal of enmities that Americans had been the first to forswear. It is the freedom from these that has been the most conspicuous feature of the American experiment in union and democracy.

We tend to forget that separation of church and state and rejection of religious establishments were, in the 18th century, the most revolutionary experiment on which the new United States embarked. It commanded more attention, applause and censure than creation of the new nation or the rejection of colonialism. No other Western nation had ever tried so reckless an experiment.

But the Founding Fathers knew what they were about: they wanted peace and harmony in a society dangerously heterogeneous. They did not resort to subtle arguments or to elaborate legal provisions but contented themselves with the general principle — one that is subject, as James Madison observed, to a variety of interpretations. But the principle itself was clear. John Adams put it bluntly: "Congress shall never meddle with religion other than to say their own prayers and to give thanks once a year." Furthermore, Madison asserted that "the Constitution does not create a shadow of right in the general Government to intermeddle with religion." In the Constitutional

Henry Steele Commager, emeritus professor of history at Amherst College, is author of "The Empire of Reason," among numerous books.

emerge from Rome in recent years.

Liberation theology, born in the late 1960's in Latin America, draws out the social and political implications of Christian teachings along with their spiritual meaning. Its proponents say that their faith dictates solidarity with the underprivileged and oppressed (the "preferential option for the poor"), and they argue that such solidarity entails an obligation to change unjust social conditions.

In practice, this means applying the Roman Catholic Church's social doctrines to third world conditions in a host of ways — setting up labor unions, establishing peasant co-ops, organizing refugee camps, holding Bible-reading sessions where peasants are taught to see social and political meaning in scriptural texts. In

developed countries, none of this would be subversive, but in Latin America such efforts are often branded as revolutionary acts.

Liberation theology is frequently invoked by Christians in the third world — in Central America, Brazil and the Philippines, for example — in support of their struggle for social justice. Yet liberation theologians vigorously deny their detractors' charges that they "translate Christianity into Marxist terms" or propose a "theology of revolution."

Pope John Paul II has long felt uncomfortable with liberation theologians, especially in Latin America. He dislikes their use of Marxist categories in analyzing social and political issues and fears that the grassroots church groups, or "base com-

It treats
Marxism
too simply

munities," that have grown up with liberation theology represent a potential challenge to the traditional hierarchical structure of the Church.

The document issued earlier this month by the Vatican's Congregation for the Doctrine of the Faith, headed by Joseph Cardinal Ratzinger, with the full approval of the Pope, clearly reflected those fears. It does not, however, reflect any kind of sophisti-

cated or nuanced conception of the issues at stake in liberation theology.

One of the most sensitive issues is the legitimacy of using Marxist analysis as a tool of Christian social thought. Precisely on this point, where subtlety and exactness are essential, the Vatican document falls back on simplistic generalizations that beg for clarification.

The document speaks of "Marxism" much the way President Reagan and the Readers Digest do — as if it were nothing but a monolithic and unchanging totalitarian doctrine. The document shows no understanding of how Marxism has evolved from the theory of Karl Marx and Friedrich Engels, no distinction between the very different practical applications of those ideas by Lenin and Stalin and the Nicaraguan revolutionary Augusto Sandino, no awareness of the difference between Marxism as a blueprint for revolution and as a tool of historical analysis. Unlike the social encyclicals of Pope John XXIII and Paul VI, this Vatican document allows for no ideological diversity or development.

This generalized "Marxism" that Cardinal Ratzinger attributes to the liberation theologians is described in the simplistic terms used by anti-Communists in the 1950's. Thus, for example, he writes: "Let us recall the fact that atheism and the denial of the human person, his liberty and his rights, are at the core of the Marxist theory" — and is apparently unaware what a crude oversimplification this is.

In fact, atheism is not necessarily essential to Marxism theory. The least one can say is that this is a matter of serious scholarly debate among both Marxists and non-Marxists. The Italian Communist Party, for example, has written atheism out of its ideology, and the effort to reconcile Marxism with Christian belief is precisely one of the most significant features of liberation theology. Yet the Vatican document shows no awareness of this complexity.

Nor does Cardinal Ratzinger cite any texts to demonstrate what he calls the "fact" — in truth, it is nothing but his interpretation — that "the core of Marxist theory" denies the freedom, rights and dignity of human beings. His document does not cite a single sentence from Marx or any student of Marxism in support of its naive and undifferentiated assertions. And as a result, the "Marxism" that the document attributes to liberation theologians is one that only the Vatican believes exists.

When the document moves from Marxism to liberation theology itself, matters fare no better. Without naming a single book or article or author, the Vatican attributes to "certain forms of liberation theology" positions that, to my knowledge, none of its major proponents espouse. Thus, for example, the document charges that liberation theologians champion class struggle and confuse the poor mentioned in the Bible with the "proletariat of Marx," that they dissolve Christianity into "a purely earthly gospel." Cardinal Ratzinger and the Pope may indeed fear that this is what liberation theologians believe, but until the Vatican offers some evidence in support of its claims it cannot expect to be taken seriously.

The Vatican document grossly overestimates the importance of Marxist analysis in liberation theology. It also claims, quite dubiously, that the use of Marxist concepts — particularly that of class conflict — to analyze a given social situation necessarily entails swallowing the entire Marxist theory and practice.

Such straw-man attribution is an old tactic of the Vatican Curia. It is a form of Catholic "Catch-22" that consists in creating a heresy on paper, wrongly attributing it to selected theologians and then condemning them for positions they have never held. This procedure was last used at the turn of the century; in those days, the cardboard heresy was called "Modernism." Scores of brilliant and quite orthodox theologians were discredited because of it, and the Church's intellectual life was set back half a century.

Pope John Paul II and Cardinal Ratzinger seem intent today on creating much the same kind of scare to crush liberation theology. In doing so, they risk splitting the Church irreparably and stifling one of its more promising new developments.



Howard Muncie

Convention, Charles Pinckney, a staunch Episcopalian, proposed the simple provision that "the legislature of the United States shall pass no law on the subject of religion." Clearly, what the Framers had in mind was more than separating church and state: it was separating religion from politics — religion, not morality, for the Framers were almost to a man high-minded moralists.

They were not like the distinguished political philosophers of the Old World: Rousseau in France, Burke in England, Kant in Prussia. They were practical and hard-headed. John Dickinson of Pennsylvania spoke for all: "Experience must be our guide, theory may mislead us." Just what Joseph Story, Chief Justice John Marshall's successor as the greatest of our constitutional interpreters, said in his "Commentaries": the clause prohibiting any religious test for any office "is not introduced for the purpose of satisfying the scruples of many respectable persons. It had a higher object: to cut off forever, every pretense of any alliance between church and state in the national government."

We should not get bogged down in constitutional or legal controversies on this fundamental issue, but strive to fulfill the ideal of the Framers — to create and maintain a political system that, so far as possible, establishes justice and insures domestic tranquility. To do so, we should resort to experience.

What influence, Madison asked, have "ecclesiastical establishments" had in the past? They have been seen to erect a spiritual tyranny on the ruins of civil authority; they have upheld the thrones of political tyranny; in no instances have they been the guardians of the liberties of the people. A just government, instituted to secure and perpetuate the public liberty, needs them not.

We must be clear about our own

logic, which is pragmatic, not speculative. We do not limit prayer in public schools or forbid religious "tests" because the Constitution so provides; the Constitution so provides because experience taught its Framers that such actions would menace the peace and harmony of our society.

The Founding Fathers were, most of them, deeply versed in history. They were familiar with the tragic century-long religious wars that tore the peoples of Britain, Germany and France apart. They were descendants of Pilgrims and Puritans who found refuge from religious persecutions and of Scottish dissenters. They were all familiar with the Anglican Establishments in at least five of our Colonies. They were determined that neither religious privilege nor bigotry should ever ruffle the surface of American life.

What is almost miraculous is that the measures they took to avoid all this worked — the mighty Edmund Burke had pronounced it impossible. The new nation managed to welcome and incorporate peoples of every na-

tion and faith and somehow to maintain religious peace and harmony. Americans have never had a religious war, nor even persecution on the Old World scale. There has been prejudice, harassment, ostracism of Catholics, Mormons, Jews and Jehovah's Witnesses, but no one has been sent to the stake or imprisoned or exiled or — since the 1830's — tried for blasphemy; nor have any, except temporarily the Mormons, been denied civil and political rights on religious grounds.

To our shame, we have indulged more persistently than most civilized nations in racial and ethnic bigotries, and we have paid and are still paying a bitter price for those sins. But we seem to have known, by an instinct rooted in our colonial experience, that we cannot afford a comparable religious bigotry, and that we cannot afford the meddling of religion in politics. Those who would interject religion into politics today would do well to remember.

Reason, experience and common sense counsel us to cultivate, in this arena, wisdom, patience and magnanimity — and to hark to Winston Churchill's admonition that "the duty of governments is first of all to be practical."

IN THE NATION | Tom Wicker

You're the Loser

Here are excerpts from President Reagan's last "news conference," if that's what it was:

Mr. Reagan: No, let me just say, we'll be back and there'll be more of — we'll be having more of these. So

Reporter: Oh, when?

Reporter: When?

Mr. Reagan: What?

Reporter: Before the election?

Reporter: We'd like to make a date.

Reporter: What about debates?

Mr. Reagan: I'm just going to wait and surprise you again.

Reporter: Are we going to have a full-scale half-hour news conference, sir, before the election?

Mr. Reagan: I don't know; but I've been talking about that myself.

He doesn't know? If he doesn't, who does? Mrs. Reagan? The White House staff? Central Casting?

Aside from the Abbott-and-Costello quality of most of the quoted exchanges, here is the President of the United States, in a campaign for re-

election, who says he doesn't know whether, in the eight weeks left until Election Day, he will give the press the opportunity to question him.

No one should be surprised; Mr. Reagan has had only five "full-scale half-hour" news conferences in the eight and a half months of this year. When he meets with selected reporters, it's only on an off-the-record basis. Recently, his keepers even tried to remove wire-service reporters — but not, of course, television — from the limited "pool" allowed to stay close to him during public appearances.

When reporters do get a chance at him, it's usually by shouted questions as he boards his helicopter to rise above it all, or a quick exchange at

those "photo opportunities" the White House loves to stage, or at the end of a limited appearance to announce something politically favorable — in the case above, his forthcoming meeting with Mr. Gromyko. Not since Franklin Roosevelt began holding regular news conferences has any President been so sheltered from the press.

Well, some may say, why not? Because however unpopular the press is, and no matter how inept or rude or partisan or persistent its questioners may be or appear in the eye of the beholder, reporters are the only instruments by which a President can be quickly called to public account for his actions and policies. Congress is an important check on the President, and so are the courts and the bureaucracy; but nothing can substitute for the press, particularly in an election year, in keeping the public currently informed — at least a little informed.

And this slipshod President needs to be called to account. Who, for instance, are those Americans he re-

cently castigated "who would deny such things as chaplains in the military"? Are they, perhaps, like that court ruling Mr. Reagan once described as decreeing that "a child cannot ask a blessing before lunch in the school cafeteria"? Upon investigation, that turned out to be a Second Circuit case (Stein v. Oshinsky) that prohibited recited prayers by groups of children in the classroom.

Walter Mondale is getting an idea of how hard it is to question the shadow in the Oval Office. He wants six debates; James Baker, Mr. Reagan's principal keeper, says six would bore the public. Mr. Mondale has done well to get two.

But if two debates are good, six are better — for the obvious reason that over six meetings the errors, misstatements, outrageous claims and outright lies common to these confrontations can be more effectively challenged and corrected, hence the public will be more accurately informed. And hating the public is not the point; the Republican National

Convention did that, but Mr. Baker was not heard to suggest canceling it. And should the President refuse to give a State of the Union Message unless he's assured of a high rating?

No, the reason Mr. Reagan is kept in his cocoon of inaccessibility is that it might be politically dangerous to turn him loose. As the few news conferences he has held demonstrate, he often doesn't know what he's talking about, not having taken the trouble to learn. He is prone to gaffes, as in "killer trees" and bombing-Russia "jokes." At age 73 he understandably nods off in Cabinet meetings; it would not be surprising if age is beginning to tell on him in other ways that might be apparent under news conference or debate pressures.

So you'll see the President between now and November mostly in television commercials, well-rehearsed speeches, news-show shots of affable campaign chats with schoolchildren and ceremonial appearances in the Rose Garden. Shed no tears for the press, however; you and the rest of the public are the real losers.

Reagan ducks
the press

'Amadeus': From Stage to Film

By MICHIKO KAKUTANI

They were, Peter Shaffer recalls, quite the odd couple. To turn his play "Amadeus" into a film script, the English playwright spent four months holed up in a Connecticut farmhouse with Milos Forman, the Czech film director. Isolated from the rest of the world in what they called their "torture chamber," the collaborators suffered from writer's block together, listened to Mozart records together, and improvised scenes from the play together. Much of their afternoon work sessions, however, was devoted to arguing. They argued about scenes and words, and the order of scenes and words. They argued about who would say what in the film. They even argued about which of them would cook dinner. In the end, nothing went into the movie that both did not agree upon; and on Wednesday — some two and half years after their first argument — "Amadeus," the motion picture starring Tom Hulce and F. Murray Abraham, is finally opening in New York.

Filled with scenes from Mozart's operas and permeated with the sounds of his glorious music, the movie of "Amadeus" not only works a glittering improvisation on the composer's life — as the original play did — but also conjures, in sumptuous detail, the musical worlds he inhabited and created. But if Mr. Shaffer succeeded, as Mr. Forman puts it, in "giving birth to the same child twice," the task was anything but easy.

"Amadeus," after all, seems an unlikely subject for the literal medium of the screen. Though its plot has the flavor of a thriller — an embittered composer named Salieri tries to poison the career of his rival, Mozart — the play is actually concerned with a metaphysical question, not easily addressed by the commercial cinema: that is, how can a just God bestow the gift of genius of a foul-minded buffoon like Mozart, while giving a devout man like Salieri only enough talent to recognize his mediocrity. More importantly, the screen and the stage operate on very different esthetics, and in its original incarnation, "Amadeus" was a highly-stylized theater piece, conceived by Mr. Shaffer — in terms of its heightened language and use of operatic devices — and directed by Peter Hall to specifically exploit the conventions of the stage.

Mr. Shaffer, himself, was initially hesitant to try to adapt his play. Having long ago abandoned the conventions of naturalism, he has used symbol and "suggestion" in his work "to exercise the imaginative muscle of the audience," and he was somewhat "gloomy about what would be done with literal images" on film. He was not particularly happy with films made from his earliest, realistic work — "Five Finger Exercise," "The Private Ear" and "The Public Eye" — and his later, more epic work, he believes, had been diminished by translation to the screen. "The Royal Hunt



A scene from 'Amadeus'—Some episodes were rewritten to take advantage of the authentic settings.

of the Sun," a metaphorical account of the European conquest of Peru, was turned into a conventional historical movie, full of decorative tableaux; and "Equus," a psychiatric detective story with mythic overtones, was turned into a peculiar, naturalistic fable about a disturbed stable boy who blinds some horses — what was meant as a symbolic "attempt to blind the judging eye of God," Mr. Shaffer observes, became a case of "maiming animals."

As a result of these experiences, says the playwright, "I don't accept the notion that if a play is successful it's got to automatically be turned into a film." Filmmakers, of course, are of a somewhat different mind — they've been using the theater as a source of ready-made material for years. "The Philadelphia Story," "The Children's Hour," "Dimmer at Eight," "The Petrified Forest" and even "Cocoanuts" all began as plays; and today, movie producers are again turning to the stage for inspiration. "A Soldier's Play," "The Dresser," "Another Country," "Privates on Parade," "Betrayal," as well as "Amadeus" have all been made into films.

Mr. Forman, for his part, believes that "there must be a way to make any play into a film" — given a good storyline and good characters; and after seeing the first preview of "Amadeus" in London, he began urging Mr. Shaffer to go ahead with the project. The fact that "Amadeus" was so stylized, so theatrical — well, so uncinematic, he argued, was ac-

ally a blessing — it meant they wouldn't be tempted to merely translate the play to the screen, but would be forced to demolish the original, then totally reimagine it as a film. In fact, the one thing Mr. Forman says he'd learned from directing adaptations of novels ("One Flew Over the Cuckoo's Nest" and "Ragtime") and a musical ("Hair") is that you cannot "just photograph the pages or the play, you have to use the novel or the play as source material for your own vision."

"You have to forget about why the play worked," he says. "Because none of this theatrical wizardry would work for you in a film. You have to take the basic story and characters, and the spirit of the play, and then start from scratch. And as you go, you have to ask yourself, 'What can't you do in the play? You have to totally dissociate yourself from the techniques of playwrighting.'"

Because Mr. Forman was so worried that elements from "the stage would creep in and make the film stale," he says he developed an "unobjective resentment" towards everything in the original show. Mr. Shaffer, who received screen credit for writing the movie, remained considerably kinder of the play he'd spent two and half years writing, and he found himself trying to "get in the script as much as possible of the original."

Given these two points of views, the collaboration between the playwright and the director naturally took on an adversarial, if still amiable, air. "It

was like playing a good game of ping pong or tennis," says Mr. Forman, recalling that an argument over a single word could go on for hours. "It's not unfair to say we really benefited from a certain kind of vanity that is in each of us — a desire to topple each other. I would want to be better than the last word he said, and he would try to be better than the last word I said. That supplied a lot of energy to the collaboration."

"We did not so much argue high-brow things," he went on. "It was more specific. Often it was lines, because Peter's world is theater with its noble theater language, while I am on the other extreme. I like that the dialogue is just one part of human behavior, that what someone says has the same importance as how they walk, how they comb their hair. So my tendency is sort of not to appreciate the beauty of stage language. On the other hand, Peter is — well, I don't think I ever met anybody who has such a power with words and is enjoying this power."

Whatever his misgivings, Mr. Shaffer did agree that the movies require language that is "less elaborate, less deliberately rhetorical," and he says he took "pains to make the language accessible to a large audience, without condescending to them." Many of the foreign words and phrases used in the stage version — to convey the cosmopolitan atmosphere of the Vienna court — have been dropped altogether; and the characters now speak in more colloquial tones. Descriptive and reflective dialogue was also pared away.

Perhaps the biggest change in language involved Salieri's monologues. Structured as a confession by Salieri to the audience, the stage version of "Amadeus" featured lengthy speeches about God and Mozart and fate. Dazzling as such soliloquies were on stage, they would have seemed unwieldy and pretentious on screen, and so Mr. Forman and Mr. Shaffer tried to replace them with "visual equivalents" — images that would convey the same facts and emotions. For instance, a three page soliloquy at the end of Act I — in which Salieri curses God for giving His voice to the "spiteful, sniggering, conceited infantine Mozart" — has been replaced by a simple shot of the composer throwing a crucifix into a burning fireplace. And the conceit of having Salieri confess to the theater audience has been replaced with scenes of him talking to a real priest about his sins — a set-up that allowed Mr. Shaffer to break up the composer's monologues and transform them into conversations.

In switching the emphasis from the verbal to the visual, film tends to turn

Arts & Leisure

metaphors into facts — consequently, says Mr. Forman, it calls for a more naturalistic approach. "Stage by its nature is stylized," he says, "so everything is stylized. Nobody pretends that the wall of the stage is a real wall, nobody pretends that the tree is a real tree. But in film, everything is real: tree is real, buildings are real, everything is real. So people have to be as real as possible too — the way they speak, the way they behave has to sustain the scrutiny of anybody who lives and judges people. In this way, film is much more relying on being accurate about human behavior than literature is — so you have to give the character as much flesh as you are capable of."

To do this, he and Mr. Shaffer opened up the play by externalizing and embroidering Salieri's thoughts — an allusion to his youth turns into a flashback sequence showing him as a

boy; a reverie about Mozart's music turns into a shot from "The Magic Flute." And they also added new material about Mozart's life. They inserted scenes showing Mozart playing at an outdoor concert; trying to compose an opera at home, while his wife and father argue in the background; kissing his infant son; and clowning about at a masquerade ball. The effect of such scenes is to move the focus of "Amadeus" from Salieri to Mozart; and to portray the latter as a fuller, more rounded human being.

The other characters, too, have been fleshed out in the movie. Costanza, Mozart's wife — a minor, underwritten part on stage — has evolved into a feisty, practical-minded girl, constantly nagging the composer about money and his career.

In the London version, Salieri was, in Mr. Shaffer's words, "too much the observer of the calamities he should have been causing." In the Broadway version, his scheming extended to trying to undermine Mozart's mental and professional health. Now, in the movie version, he actually plots to take credit for Mozart's Requiem, and the two men have a face-to-face meeting, after which Mozart collapses and dies — just as Salieri had planned. "Quite obviously such a scene never took place in fact," observes Mr. Shaffer. "However, our concern at this point was not with fact, but with the undeniable laws of drama. It is where holding fast to the thread of our protagonist's mania — we were finally led."



Peter Shaffer

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Cockeyed at 'Red Dawn'

By VINCENT CANBY

As Leo McCarey's "My Son John" epitomized the anti-Communist paranoia of the 1950's, with sometimes unintentionally funny results, "Red Dawn," John Milius's shoot-'em-up World War III fantasy, provides an unusual glimpse into the mind of a certain kind of contemporary archconservative. It's not, heaven knows, the intellectual kind of archconservative.

Rather, it exposes for all to see the cockeyed nightmares of those on the lunatic fringe, the self-styled patriots who might even embarrass the members of the John Birch Society. It's a movie that says that guns don't kill people, but people who kill people, without going that one step further to acknowledge that it's people with guns who kill people.

"Red Dawn" is one of those rarely terrible movies that you cannot afford to miss — technically proficient, emotionally infantile and politically nuts, though not, I think, especially dangerous. It's too ludicrous.

"Red Dawn" seems also to be the work of a man who is sick and tired of being on the receiving end of criticism aimed by the world's have-nots at the world's haves. Don't these people realize that it's not easy being rich and powerful and right? How about a little sympathy for the big guy?

To provide answers to these and a lot of other questions you perhaps never thought to ask, Mr. Milius, with Kevin Reynolds, has written an apocalyptic fable designed, among other things, to refurbish the United States' international image by showing it to be, in awful fact, the world's most misunderstood underdog.

There is no other way to interpret this vision of World War III, set in the small town of Calumet, Colo., at the foot of the Rocky Mountains, in which most of middle America has been occupied by "the armies of Cuba and Nicaragua," apparently disguised as tourists and gardeners. The armies of Cuba and Nicaragua? From the way Mr. Milius sees the balance of power, you must assume that the armies of Grenada are holding the Gulf Coast from Florida to Texas.

giant Soviet invasion force that, through one ruse and another, has defeated the United States military, leaving the fate of America in the hands of a few teen-age guerrillas in Calumet, Colo. It seems that there is a small zone called "F.A." (Free America), though exactly where this might be I couldn't figure out while watching the movie.

I also had trouble understanding just how Mr. Milius's war was initially fought. A few lines of exposition at one point indicate that nuclear weapons have knocked out New York and Washington and some other major cities, but that both sides early understood that further use of nuclear arms was impractical, so that, as one character says, "It's just the same old conventional war all over again."

"What about Yurp (Europe)?" one boy asks. "They're sitting this one out," says a kindly old man played by Ben Johnson. "I guess they figured they'd been through two already and that was enough. Not England, though, but they can't hold out forever."

I really don't think that Mr. Milius is as mindlessly chauvinist as his movies, including "The Wind and the Lion," would indicate. But his thinking is so small and wishful that it amounts to a huge distortion of the possibilities as well as of the facts.

"Red Dawn" understands that nuclear weapons can cause horrendous destruction, but it's also airily confident that after a few cities have been destroyed, the combatants will come to their senses and return to the use of ordinary airplanes and tanks and rockets, as long as they last and, after that, one character says wistfully, "maybe swords."

That is probably the key to the dreams of Mr. Milius, who is a chivalrous though completely mixed-up romantic at heart, wanting to return to a 19th-century America inhabited by medieval knights. I know that doesn't make sense, but sense is not what "Red Dawn" is all about. It's both aggressively inflammatory in its predictions about the course of the Red Menace in the 1990's, and sloppily sentimental in its treatment of its teen-age guerrilla-patriots, six young men and two young women who talk, dress and behave very much in the manner of kids who might well have had posters of Che Guevara on their bedroom walls.

They are a physically tough, incredibly effective commando group

but — this is their human side — they also are given to many hugs of encouragement and tears from time to time, even though the father of two of the boys has forbidden them ever to cry again. Mr. Milius couldn't very easily make an adventure film — which "Red Dawn" means to be — romanticizing six teen-age Cuban guerrillas in their Marxist war against the Batista dictatorship. He's done the next best thing. He's co-opted the romance of guerrilla war by reversing the roles of Cuba and America, which is neither easy nor plausible.

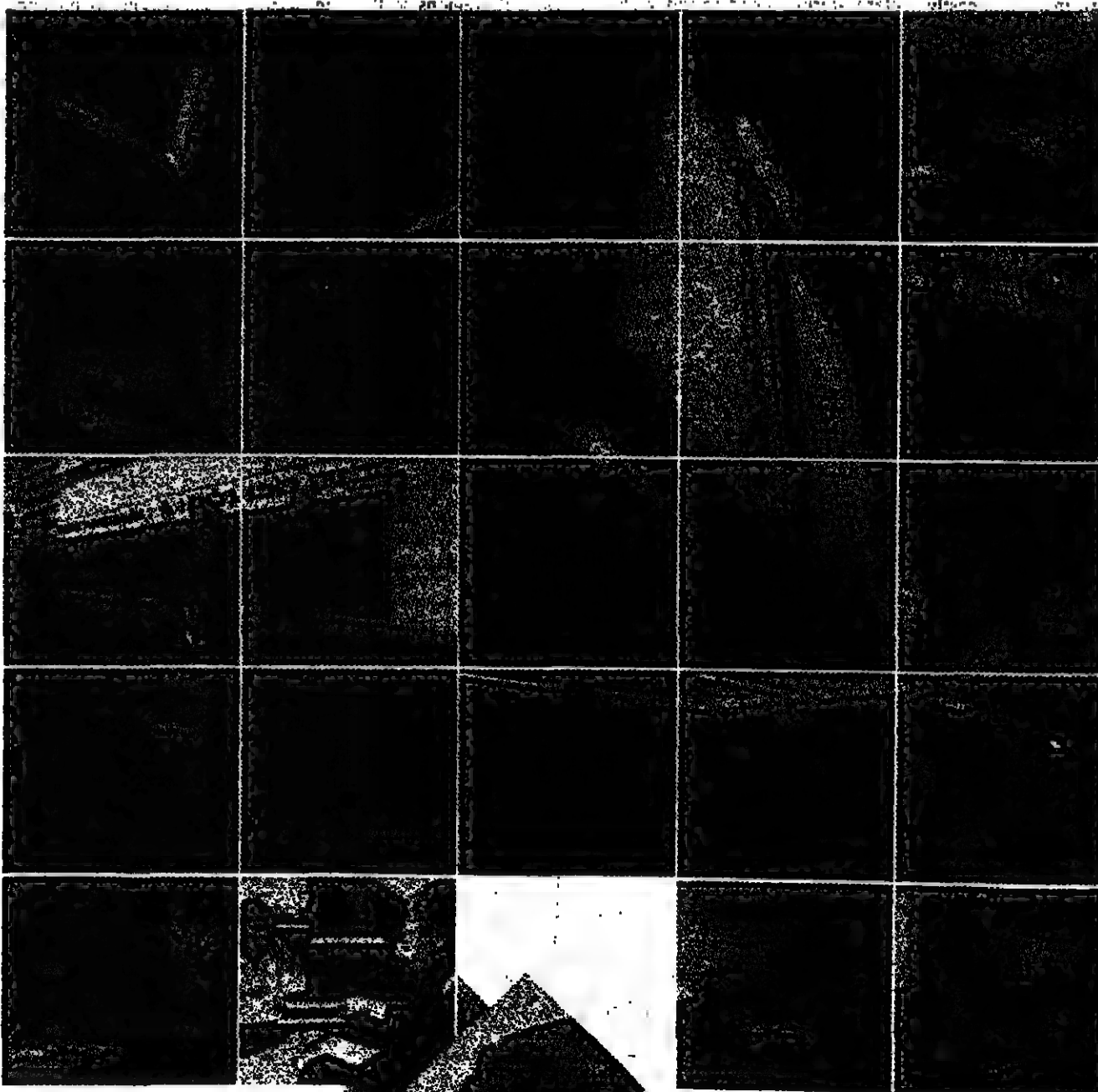
There's something extraordinarily peculiar about the sight of six ordinary American teen-agers acting as if they'd learned their lessons by studying Fidel Castro's guerrilla tactics, an irony of which Mr. Milius is very much aware. About the only interesting character in the film is the Cuban officer in charge of the pacification of Calumet, Colo., and the surrounding territory.

This fellow, named Bella and played by Ron O'Neal in the film's only decent performance, is murderously efficient at first but he finally comes to loathe his role as occupier when he's more used to being a liberator. Just how this can be coherently interpreted in the context of the rest of the film, I don't know, since "Red Dawn" would, in every other way, appear to support a United States occupation of all of Central America, in this fashion to prevent the armies of Cuba and Nicaragua from sweeping up through Mexico to take over Calumet, Colo.

A group that calls itself the National Coalition on Television Violence, formed because its members feel that the ratings of the Motion Picture Association of America are inadequate, has come out with an official statement calling "Red Dawn" the most violent movie ever made.

By this group's count, the film, which runs 114 minutes and has a PG rating, averages 134 acts of violence an hour. This may be true, but the violence in "Red Dawn" is mostly so personal and conventional — so obviously the work of special effects experts — that the movie seems less violent even than Mr. Milius's earlier comic-strip of a film, "Conan the Barbarian."

Of far greater concern than its violence is the manner in which "Red Dawn" makes small and comprehensible a war that many experts believe would be the last.



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THE UJA COMES TO TOWN

The Post's Judy Siegel-Itzkovich meets a new breed of American fund-raiser

A QUIET revolution has taken place among fund-raisers of the United Jewish Appeal. They are younger, less motivated by the desire for honours, better informed about Israel and more determined to ensure that the money they raise is spent to the best possible advantage.

As a symbol of increased ties to Israel, the 1985 annual UJA campaign is being opened in Jerusalem for the first time in the organization's 45-year history. Four missions, comprising a total of nearly 1,000 participants, are being held simultaneously.

Ralph Auerbach, one of the 45,000 Jews of Denver, Colorado, is a national vice-chairman of the UJA and a participant in the national campaign leadership. Auerbach's mission began in Rumania and Poland; the visit to the vastly depleted and aging Jewish community of Poland was a melancholy one for Auerbach, since it is his birthplace. He was taken to the U.S. by his mother and father in 1938, when he was just four years old.

Auerbach, who is in the meat business ("we do barding," he explains), was raised in Denver and watched it grow from a small town to a thriving city. The Jewish population alone has doubled in the last decade. But it is not a community without problems. Inter-marriage in Denver has reached 70 per cent.

THE UJA MAN first got involved in fund-raising for the local Jewish federation after the Yom Kippur War—not particularly because of the trauma suffered by Israel, but be-

cause his children had gotten older and he wanted to become involved in something. He quickly became chairman and then president of the federation, and was later asked to serve as a national vice-chairman.

When he visited Israel for the first time in 1973, he found the country "beautiful," and he still finds it so. "It's a country that will always have its problems, but Israel is the most important thing in my life," he says, "after my children and grandchildren."

But since he doesn't live here, he doesn't feel free to criticize Israeli policies and politics.

In the aftermath of the massacre of Palestinians by the Phalange in Sabra and Shatila a few months into the Lebanon war, UJA volunteers found it difficult to raise funds. "But after talking to people, they gave," he continues. The economic problems in Israel have also raised questions.

There is also a lot of concern among the non-Orthodox about the possibility that the Law of Return will be changed to exclude those converted by Conservative or Reform rabbis. He hopes that if the law is changed, damage to the UJA campaign can be minimized by talk-



Ralph Auerbach (left), Stan Hirsh... "We plan to do it better, to make sure that the proper people are in charge."

ing to potential contributors.

Denver, which contributed \$7 million to the UJA last year, is linked up with a disadvantaged neighbourhood in Lod under the Project Renewal rehabilitation programme. Auerbach says that he is leery of it in the beginning, thinking it might just be a gimmick. But he has since changed his views 180 degrees. His daughter, a social worker, even spent a year in Lod as a volunteer in the project.

TURNING TO THE subject of the Jewish Agency, which receives UJA funds, Auerbach says Diaspora givers are well aware of the need to get more involved in the spending side. "We plan to do it better, to make sure that the proper people are in charge," Diaspora leaders have "the right" to supervise these activities, he says, "because we are sending the money."

Stan Hirsh, a businessman from Los Angeles, was another partici-



(Ackerman)

80-year-old rabbi who taught the children. "Such set-ups turned a lot of Jewish boys off Judaism," he recalls with some sadness.

Hirsh became active in the UJA 30 years ago when the man he was working for tried to get him interested.

"I'm a good fund-raiser," he says. "I started my 'career' carrying around a Jewish National Fund blue box as a kid."

With his father originating in Rumania and his mother from Poland, Hirsh was moved by the UJA visit to both countries. Rumania, with its lively children, was as encouraging as Poland's Jewish community was sad.

THE 500,000-STRONG Jewish community of Los Angeles last year contributed \$40 million to the UJA. Even some of the Israeli emigrants living there contribute.

Hirsh agrees that the "Who's a Jew" controversy could be damaging to the campaign. "People resent the idea. They want to support a free state and want equal rights," he insists. He knows of some Jews who say they have stopped contributing because of the issue. "If an amendment is passed, we'll have to live with it."

He says that Project Renewal has had very tangible results in Jerusalem's Musrara quarter, which is matched up with L.A. The Jewish community will soon phase out its efforts in the neighbourhood and move on to the town of Beit Shean. He hopes the government will ensure that facilities and improvements created by Project Renewal in Musrara will be maintained. "If not, they should come to us for help. We don't want things to deteriorate."

ASKED WHY more American Jewish businessmen don't invest in Israel or set up factories here, Hirsh suggested that they may have a "fear of the unknown" and that the Israeli authorities are not doing enough to encourage such involvement.

As for the Jewish Agency, "that's another government. You can't undo in a day what's been developing for years." Donors who don't know very much want to see exactly what their money has done. "The agency must do a better job showing that it is doing its job," he declares.

Los Angeles Jews are much less interested in receiving plaques and dinners in their honour than was the older generation, says Hirsh. But they do want to meet Israel's leaders face to face. "You feel part of the process and it encourages you to become more involved." But being spoken at by a prime minister or other cabinet minister, he concludes, is less effective than being able to discuss matters in a mutual exchange. Hirsh has much experience on the speaking circuit. He was main speaker at 35 UJA and other Jewish functions last year.

TIME TO ENJOY

GARDENER'S CORNER
Walter Frankl



golden daffodils, or yellow tulips near blue grape hyacinths, purple crocuses with yellow freesias. The combinations for an attractive spring show in your garden are endless.

The secret of creating colour harmony in flower planting is to use complementary colours. Contrasting strongly, they have the effect of making the dominant colour even more vivid. For example, a bed of yellow calendulas would look even more attractive, and their colour emphasized, if interspersed with light blue ageratum. Common purple irises, interplanted with white ones would also produce the same effect. The added colour will prevent monotony and the colour combinations will live up to the flower bed.

However, there are more essential activities necessary for a beautiful garden. Properly prepared soil, regular watering, weeding and feeding, and an ever-watchful eye for pests and diseases are necessary for a splendid colour show.

Sweet peas (*Lathyrus odoratus*, *Lathyrus rehardii* or *Lathyrus rehardii* in Hebrew) can be sown from now until the end of October. The sowing date varies with the average temperature of the region.

In a milder climate and light soil sowing can be done at a later stage. In Central Europe, sweet peas are sown in spring to avoid damage in a severe winter. In Israel many people use European seed packets and follow the instructions to sow in April.

This is an error, because the spring and following summer seasons here

are far too hot for sweet peas. An earlier sowing date is preferable for our hilly regions so that the plants will be well established and, therefore, resistant to frost.

The best sweet peas should have strong stems, about 1-2mm. in width. All that is necessary for these flowers to bloom beautifully is to have a well drained area, to dig a shallow trench, about 15-20 cm. deep, loosen the soil beneath and to sprinkle a handful of general fertilizer on it. The top soil must be replaced and dry lime added. All this can be done a week before planting is planned.

The next task is to prepare the frame on which the climbing sweet peas are to grow. Sweet peas will grow well against wire netting,

wooden stakes, tree branches or anything else provided they are tied securely. The best way is to sow the seeds first into yogurt cups, filled with red soil - a vermiculite mixture of equal parts - and later to transplant them near the frame; but they can also be sown straight into the soil where they are to grow.

The advantage of the first system is that you can ensure that only well-established seedlings will be used. When sown straight into the ground, some seeds will not take root and resowing with much later germination will disturb the uniform character of the spot.

Even with a second sowing there is never the certainty of complete germination. The seeds must be sown in a depth of 2-3cm. Put seeds in pairs (with a distance of 1-2cm. between them), so that they can mingle their stems, twine around, encircling each other and produce a strong, weather-resistant stalk. When the seedlings in the pots reach a height of approximately 10cm., they can be transplanted near a fence or frame. They should be planted about 15-20cm. apart from each other. All side shoots and tendrils should be taken off as they appear and none of the plants should be allowed to flower under one metre in height. All these things should be done so that the plant shall have maximum growing strength and produce strong, attractive flowers. The plants must be watered according to necessity - daily when it is very dry and hot.

The sweet peas are ready for picking when four blooms are fully open and the fifth is half-open. They must never be picked before this stage, as sweet peas do not open in water like some other flowers. Pick the flowers in the early morning when the blooms are at their best. The more flowers that are picked, the more will replace them the following day.

Each spike should be picked by hand and not cut. It should be plucked with thumb nail and forefinger by means of a sharp twist to one side. Daily picking will prolong the flowering season, but when it becomes very hot - in late spring, the stems will grow shorter and the vines will eventually turn yellow. Remove all seedpods because the ripening of seeds will weaken the flower production. It is better not to collect the seeds, because most of them degenerate and will probably produce only white or inferior flowers. It is, therefore, worthwhile to buy new seeds for each growing season.

Fertilizing. I have already mentioned the addition of lime to the sweetpea growing bed. Lime is essential, as it not only assists the soil bacteria in performing its duties, but it also purifies the soil and prevents it from becoming sour. Lime should be applied to the top soil in small quantities, because the winter rains will gradually wash it to lower levels. When the sweetpeas are fed with some superphosphate the soil will be enriched by two essential elements, namely lime (calcium in form of gypsum) and phosphorus which is useful in flower production.

Pests and diseases. Young seedlings are often eaten by birds and by slugs. Heptachlor dust will avoid damage by birds while metazolin poisoned grains will kill slugs and snails which are nightfeeders. Aphids may be controlled by spraying with malathion or sanc-gan. Mildew is treated with a dust of sulphur or spray of sepol. There is no greater satisfaction than growing good sweetpeas even though they are not easy plants for the beginner.

With vacations over and the summer heat slowly passing, gardens come back to normal life in September. Outdoor work becomes more pleasant from week to week. This is the perfect time to improve your garden.

that "Doc" Meirowitz would be their spokesman for the evening. And he made it clear that he was an Alignment man through-and-through. He even identified his internal affiliation ("I'm in Rabin's camp") and he wore a red tie. All this in a Likud stronghold (whose mayor Yigal Bibi, elected to cut the party cake, represents the NRP. But he won his personal election running far ahead of any other party - which was no help in winning a place on his party's Knesset list. Well, that's the way the cake is cut. Right into the rubber-aluminum hose.)

To get back to "Doc" Meirowitz of the Rishon Parliament and the Alignment. He made an impassioned plea for setting our house in order, and even said that he was awaiting the day when no police barricades would separate those outside - the uninvited, strolling along the Tiberias promenade under a half-moon and eyeing the cake-eating great and near-great - from the enviable insiders.

"If the old Zionist socialists could leave their graves and see what's going on today - they would want to crawl right back under the earth," said Doc.

From somewhere in the crowd, "And so would Jabotinsky." I would have enjoyed tabling some questions for the Rishon Parliament, but this was impossible because of the deafening music, provided by a live band and an array of aluminum amplifiers made of plastic.

And so the festive opening of the Cafeteria of the Plaza Tiberias was celebrated. Actually, it has been running in for over two months, to the great satisfaction of the summer crowds, featuring dairy snacks, waiters, music and dancing. Now, the poor old American "cafeteria," whence comes the word, meant self-service and a tray you pushed along, grabbing from a line-up of food. Well, that is how Tiberias improves on grubby reality! Which is quite in line with the real source of the name "Gashash HaMivner." Fale Tracker: it comes from the German children's stories about the wild American West, written long ago by Karl May, who had never in his life visited America. But he vividly described Palefaces and Indians. Indian! Tveryanin, as they are known here.

Chosen peoples

RANDOMALIA/Miriam Arad

THERE IS no such thing, of course. There is only one Chosen People, and we are it. All the same, I sometimes suspect that every other people on earth also considers itself unique, superior to all others, and if they don't actually use the word chosen, they nonetheless feel they're God's own.

Let's look at a few.

At Italians, to begin with. They have the mighty Roman Empire for ancestors, which is no trifle. They have the incomparable city of Rome, to which all roads lead. Also Venice, Florence, Sienna, and a dozen others famous the world over. They have most of the greatest painters and sculptors of all time, with a couple of opera composers thrown in. They have the Verdis and the Dantes and the Petrarchs, and Galileo too. They have the pope. Their beautiful country has long been the playground of Europe, particularly beloved of people with such nasty climates as the English and Russians. You've got to grant them they're special all right.

So are the French. France has Paris and really needs no more, but has. It has the French Revolution, which is the only revolution in all history every schoolchild in the world learns about, and even if he forgets all of it later, he'll remember it came somewhere between Marie Antoinette and her cake and Napoleon's marshal's baton. France's VIP's are too numerous to mention, including as they do such giants as Descartes, Moliere, Voltaire, Rousseau, Pascal. It has Jeanne d'Arc as well. Also the world's most expensive furniture, Louis this and that, and its most celebrated cathedrals. It has much else besides, but why bore you: if you aren't convinced, the French certainly are. They're the creme de la creme, period.

"This other Eden, demi-paradise... This precious stone set in the silver sea... This blessed spot, this earth, this realm" - you guessed

it - "this England". That's Shakespeare, that is, and the applause of his fellow countrymen has been reverberating through the ages to this day. Should I add a list of kings and queens, philosophers, poets and playwrights? Darwin? Newton? 'Nough said.

You think I've only taken the most obvious examples? Far from it, as every Egyptian will tell you. His country is the cradle of civilization, and he has the pyramids and sphinxes and a throng of pharaohs to show for it. So is Iraq the cradle of civilization, being the place where they invented the cuneiform to start us all writing and reading; and let's be thankful they didn't invent television or we never would have started. The third rival for the cradle title is Greece, and it has more than Homer and Plato and; *Lehavi!* Hadjidakis to justify its people's sense that there's none can compare with them.

I don't know about the cradleness of Chinese civilization, but ancient it surely is. Contemporary Chinese have two other things going for them: they are a quarter of mankind, and spend much of their time marching four abreast round the equator or standing on each other's shoulders to reach the moon; they are the only pure, honest-to-goodness communists, or at least believe themselves to be, which is all that matters for our purpose.

Who else? The USSR? They're the biggest and best, as opposed to the U.S. which is the greatest. I could go on forever. Sweden is a socialist kingdom come, Switzerland blessed with peace eternal, Nigerians simply know there's none like them and so far all I can tell, do the islanders of Tanimbar.

Many are called and all are chosen, and what's so surprising about it? The individuals who make up the nations are just the same, each a unique being to himself, for whom everyone else is them and only he is I.

Cafeteria parlaments

By HELGA DUDMAN / Jerusalem Post Reporter

nommed Plaza in Tiberias) Hotel management had invited the Gashash trio to come to the party. But "enraged Likudniks," who could not bear the thought that this trio which had sold out to the enemy during the election would be present at a celebration in this "Likud Stronghold," threatened the Gashash trio by telephone that they would be in danger if they came.

Personally, I have never understood why all the Likudniks were not tickled pink (wrong colour) that the Gashash so successfully drained so many dollars from the Alignment coffers by the trick of providing "Cafeteria"-type philosophy during the TV broadcasts; it seemed to me they were secret Likud agents down to the very last commercial.

I have not met anyone in Tiberias who has trouble "finishing the month," the only problem being that the ink on the banknotes comes off in your wallet, for which you need a tiny aluminum-rubber hose in your pocket for personal hygiene.

What happened was that the Plaza manager, Yoram Grossner, had met with the police before the event to plan security measures. (One always discusses fireworks with the police.) Besides, the Cafeteria is out in the open, next to the shore, and without police barricades, the uninvited would be there for a share of the cake. Then - the police leaked the expected presence of the Gashash, plus the security arrangements, to

one of the evening papers, which led to the Likud threats.

One cannot open a cafeteria these days without having the nationalist camp ready to storm the barricades. Or else - it was all a media-inspired late-summer tempest in an ice-cream glass.

(Oh yes - there were wonderful concoctions of many-coloured, many-flavoured ice cream in fluted glasses, topped with little paper umbrellas and complete with nuts and fruit. This is a perfectly good model for any unity government, just as the rubber-aluminum-hose-attached-to-airplane-tank is a good model for the economy.)

THE GASHASH trio were not present, but the Rishon Parliament was. This loose group of what might be called concerned citizens took their place at the "Parliament Table" to answer questions put forward by Chairman Biko, a Tiberias character who revels in such merriment. Usually a quartet, the Rishon Lezion Parliament appeared as a trio - three men with very individual and serious views about what is happening to this country.

They said what was on their minds with both humour and satire, but still it's a far cry from the fabled Tiberias foolery. (Tiberians do not mind that the Gashash make fun of them - after all, it helped to put the city on the map.)

The Parliament of Rishon agreed

PERHAPS THE WORLD around us really is a rubber hose made of aluminum. Attached to a cute little airplane. That, as everybody knows - or should know - was the gimmick in an old "Gashash" sketch about the Wise Men of Tiberias, sitting in their cafeterias (it comes out plural, for which I apologize, when you try to retain the Hebrew rhyme) thinking up schemes to improve their town.

The idea was that the aluminum hose made of rubber (or the other way around) and attached to the airplane, equipped with a tank, would bring water to the Kinneret. And this was the conceptual centerpiece for the recent gala opening of the "Cafeteria" of the Plaza Tiberias Hotel. There were fireworks over the lake, a real little plane swooping above us, and a huge chocolate-frosted cake with the plane and a dripping tap on the icing, and lots of invited guests - the wise, wiser and wisest of Tiberias.

Now, if anybody can remember back to the tertiary news story of that day (and tertiary stories are the ones we seem to remember), what happened was that the Plaza (pro-



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THE JERUSALEM POST

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Sharing the burden

PRIME MINISTER Shimon Peres has lost no time in reminding the public, and even more so the government he heads, that the main purpose and justification for setting up the national unity coalition was to extricate the economy from crisis. That purpose often seemed to be forgotten in the long weeks of wrangling over the coalition and nearly disappeared from sight last week.

He has not only put economic policy on top of the cabinet's agenda, but has taken the unprecedented step of personally heading the government team negotiating with the Histadrut, without allowing even a day to pass. The composition and the limited size of the cabinet team seems to have been calculated to maximize the chances of attaining an accord with the Histadrut, rather than giving representation to the various ministries in order of their functional importance or political clout. By co-opting Deputy Premier David Levy, the former leader of the Blue-White faction in the Histadrut and the main representative of the populist trend in the Likud, Mr. Peres has covered his flank and that of Histadrut Secretary-General Yisrael Kessar against attacks from that quarter. Whether intended or not, an added political spin-off from so setting up the team is that the second-ranking economic minister, Industry and Trade's Ariel Sharon, has been shifted to a siding.

Yesterday's first session of the new government has not yet produced results in concrete action, any more than has the first meeting with the Histadrut. None of what was debated and agreed is new: the need to cut \$1 billion from government expenditure has been agreed for a long time, and the Histadrut has never said no to a package deal. Nor is there any novelty in hearing individual ministers agree wholeheartedly that government spending must be cut, but that cuts in their own budgets are very, very difficult, if not impossible.

It is clear, however, that with each passing day the scope for further attempts to shift the burden elsewhere is getting narrower. Within days — a week or two at most, if the government hesitates to impose the inevitable hardships just before the High Holy Days — decisive action will have to be taken. The 16.5 per cent rise in August's price index that was announced on Friday was an ominous reminder that there is not much time left for studying alternative economic plans and programmes.

There is little that is unknown about the action that will be taken. Finance Minister Yitzhak Moda'i has made it plain that the thrust of economic policy boils down to a single figure — a 10 per cent cut in the average standard of living. The finance minister has been quick to promise — and Mr. Kessar has demanded as a condition for the Histadrut's acceptance of such a cut — that the burden be shared equitably.

That, however, is easier said than done. An average 10 per cent cut in living standards means that half the people will have to tighten their belts much more. A cut of \$1 billion in government spending means that within months unemployment will creep up to 10 per cent of the labour force, and possibly more. And of all possible forms of reducing average living standards, unemployment is the most regressive.

In addition, nearly all the measures contained in the various economic programmes that have been proposed carry the mark of being regressive. The country's system of direct taxation has broken down, and therefore is no longer effective as an instrument for ensuring a degree of equity in the sharing of the burden. The reduction or elimination of the subsidies on basic products, which account for a fifth of the total spending cuts that are planned, is regressive; so are the planned cuts in National Insurance allowances, the increases in the charges for government services, and the planned increase in the value added tax.

Some of the regressiveness is, under present circumstances, probably inevitable. Beyond a certain point, however, even a trade union federation as compliant as the Histadrut will not be able to accept a distribution of the burden so heavily weighted against the lower income groups.

The government has no choice but to take immediate action, and the instruments at its disposal for ensuring a fair sharing of the burden are few and far between. Most of those that are conceivable will take time to devise.

In the negotiations over a package deal that started yesterday, much will therefore depend upon whether the new government can persuade the Histadrut leadership and, even more important, its rank and file, that the immediate economic measures — regressive as they will be in the short run — will be followed without delay by steps designed to restore a socially more just distribution of the burden.

Moreover, immediate measures must be taken simultaneously to relieve the worst hardships that are in store for the large number of people least capable of suffering them.

Beyond the darkness

By PINHAS LANDAU

Masochist (to sadist, pleadingly): Hit me, hit me.

Sadist (leeringly): Noooo.

THIS MACABRE situation, supposedly a joke, is an accurate reflection of the atmosphere in the country at large, and in the economy in particular, since well before the elections.

The public is not totally masochistic, however. It would like to be hit because it knows the blow has to fall sometime, and it wants to get the bad news behind it. The public, in this regard, is totally deluded.

There will be no single blow, to be followed by instant relief. The last attempt at what was known as "zheng vegamarnu" — solving the problem in one fell swoop — was tried in October last year, and was a total flop. The years of decline and decay in the economy cannot be put right overnight. Instead, there will be a long, painful process of healing. The questions that remain are how long will the process take and what scars will be left.

But the question is not if. That is the good news that has emerged in the last few weeks, as the unfortunate year of Tashmar winds its way into the history books. There is increasing evidence that, despite all the efforts of the politicians and the senior civil servants to destroy the economy and leave it beyond repair, the will to live, to survive against all odds, will emerge triumphant.

The evidence is still patchy, and it suits the purveyors of gloom to ignore it, but it is beginning to build up so that, just maybe, a pattern can be discerned. It is emerging in four areas: The balance of payments in general, exports in particular, the turnaround in profitability in certain key sectors of the economy and the rebirth of optimism in the stock market.

The balance of payments keeps improving. Exports are up significantly and imports are down slightly. These are the facts. Numerous excuses are put forward to explain away this phenomenon, regrettable in the eyes of the prophets of doom, whereby something is going right in the Israeli economy.

It is, they say, due to the economic recovery in North America, and in Europe to some extent. It is due to the improvement in the terms of trade, they say. This means we are benefiting from the fall in the price of raw materials (e.g. oil) that we import, compared to finished goods that we export (e.g. weapons). It has been achieved at a terrible cost in inflation. It is bound to be temporary.

READERS' LETTERS

HANDICAPPED IN HAIFA

To the Editor of The Jerusalem Post
Sir, — I am a tourist from England, with an artificial right leg and above-knee amputation. I am on my fifth visit to Haifa, where I live with family at the end of Rehov Ya'arot. There are 86 steps which lead down to Rehov Einstein, where the synagogue is located. It is still easier for me to walk up and down steps than to walk down slopes. However, one-legged protesters will know the problem. Oh for the joy of a hand rail to hang on to, instead of teetering precariously from one good leg to an artificial one.

I have been waiting patiently for the Haifa Municipality to install a handrail down the middle of the steps, which would benefit not only me, but be of safety value to all local residents.

LEON ROSE

The Haifa Municipality replies:
With its hilly topography, Haifa has dozens, if not hundreds of stairs leading from one street to another, and we do not have the money to put handrails on all of them. Only the most centrally located and thus the most used have handrails, and they are few. Moreover, it is the municipalities concerned and not the municipality which are responsible for providing facilities for the handicapped.

DANISH SHIP

To the Editor of The Jerusalem Post
Sir, — My wife, Janet, and our six-year old son have been working on an old Danish sailing ship here in Svendborg since last November. The ship was in a bad state of repair and we have replaced many planks and frames. The ship was built in 1923 as a small coaster and has served all of her 62 years here in the Baltic.

We have been trying to find out all we can about our ship. We have been in touch with one of the old skippers who was sailing "Johanne" when her name was "Fajo" during the German occupation of Denmark. He has told us many stories about long nights that he and his wife spent with some of my Jewish brothers and sisters in the hold on the way to Sweden.

I would be very interested to learn more from some of those who made that trip on board our ship. I am wondering if your readers might be able to help us in the search for those who were involved?

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ary. And so on. But beyond all the caveats, it is. And it keeps on.

THE PROOF that it keeps on is the second piece of evidence: Exports are growing all the time. While the negativists rejoice over every statistic of unemployment to emerge from the development towns, other statistics are piling up in other departments. The export departments of the banks, for example, are registering an increase of 15 to 20 per cent in both volume and value terms for the amount of exports they are processing. Today's documentary credit is tomorrow's dollars on the plus side of the accounts, just as surely as today's dismissal notice is tomorrow's unemployment claim.

Even dismissals have a positive side. The profit-and-loss results published by El Al, on the one hand, and the major banks on the other hand, carry a message of great import for the economy as a whole. Airlines and banking have very little in common and the problems of the two sectors were not similar, except insofar as both were, ultimately, traceable to bad management.

But there is a lowest common denominator between them. They both prove, each in their own way, that recovery based on rationality and rationalization is no pipe-dream, that situations that appear beyond salvation are eminently salvageable, on condition that the people involved stop messing and begin working and managing.

This development is also being ignored by the Jeremiah-brigade. The fact that the world is full of examples of economic "disasters" brought back from the brink doesn't faze them. The last decade has produced, in no particular order, Italy, Britain, New York, Turkey and maybe Mexico, as *bona fide* examples of financial-cum-balance-of-payment crises that have been overcome.

No matter, say the doomsayers, it can't happen here. But they are wrong. El Al shows that it can. Bank Leumi and Bank Hapoalim suggest that it could happen in a big way. Watch the insurance industry for further evidence. Even the textile industry, when its decimation is completed, may provide some fine examples of phoenix-like recoveries.

One thing is certain: whoever survives will do so primarily through their own efforts, and hardly as a result of charity. THE LAST PLACE where most people would look for evidence of what is happening in the economy is in the stock exchange. This is be-

cause most people don't have the faintest idea what goes on in the exchange and what the goings-on mean. The simple fact remains, however, that the share market has an almost unparalleled record of predicting the direction of the economy, stretching back for years.

One must distinguish between the method of trading, which is rotten, the attitude of the traders, which is essentially wrong-headed, and the quality of the companies traded, which is generally abysmal, and put all these to one side when considering the function of the market as such within the economy.

Here is fulfillment of its role is classical. The share market has not missed a single major turn in the economy in the last five years, acting as a leading indicator, with the real economy lagging about six months behind.

AGAINST THIS background, the persistent gains registered in the share market for the last month, predating the unity government and becoming more intense — and attracting more volume as they picked up steam — take on an extra significance.

(The bond market, by contrast, lacks all meaning, since it is managed by the Bank of Israel and thus does not reflect the real world outside. This manipulation seems destined to come to an unpleasant end in the near future, in line with that other manipulation, of blessed memory, which ended last October. The bond market, as we know it, is doomed.)

These, then, are the positive signs. They are not much to go on, but they are more than straws in the wind. Each one can be shrugged off as a result of some or other circumstance; together, however, they may well portend something of more general significance.

This can only be the welcome tidings that the "pro-life party" in the economy, so to speak, has come to the fore. The march of the lemmings is going to be stopped, because, when all is said and done, most people do not want to commit suicide. One is hard put to find a precedent for a whole nation willingly destroying itself.

This is the background against which the unity government is about to make its first moves. For numerous reasons, outlined often enough, it is crucial that this strange creature that has been created acts both quickly and sensibly, putting forward a clear and comprehensive programme and, above all else, gaining the confidence of the public.

BRITISH LIBERALS

We are also a democratic party internally, and though Lord Mayhew and others did oppose the holding of the Congress in Israel, that was not the position of our party nor of our leader David Steel as has been incorrectly reported. We are here and are enjoying the warmth of hospitality of the Israeli Liberals and the political discussions.

LORD TORDOFF, President, UK Liberal Party
JACK SPEYER, Chairman, British Group of Liberal International
JOYCE ROSE, Immediate Past Chairman, UK Liberal Party
DAVID IVE, Vice-Chairman, Liberal Party Home Office Panel
MARGARET WINGFIELD, President, British Group, Liberal International and five others
Tel Aviv.

Dry Bones



This will only be achieved if the heavy burden is spread around as widely as possible. In this respect the broadness of the government can be, and had better be, a major advantage.

Each group, party and interest within the government had better realize that the best defence it can give to its constituents is to insist that everyone else suffer as well, rather than attempt to ensure that they don't suffer at all. The reason for this is now blatantly obvious: the street lights of Petah Tikva.

The extinguishing of the street lights in Petah Tikva last week was a small step in saving that municipality from bankruptcy but a great leap in the unravelling of the socio-economic fabric of this country. So long as it was only people like the mayor of Dimona who (a few weeks ago) spoke out in favour of a reordering of priorities that would stop money going to the settlement drive and redirect it to saving development towns such as his, no one needed to pay any attention. He was, quite literally, a voice in the wilderness. As far as most of the population are concerned, Dimona may as well be in the Gobi Desert.

Similarly, the plight of Kiryat Ata and even the forward creep to Haifa and its environs could be ignored. As for Beit She'an, the place would not get a mention were it not for one David Levy who is resident there.

BUT PETAH TIKVA is in the heart of Gush Dan, and if that municipality is, again literally, turning out the lights, then things must be very serious. After years of mock-crises, stop-gap measures and quick-fix solutions by the Interior Ministry, the collapse of the system of local government has reached the Israeli heartland. The consequences are far-reaching and can only be guessed at.

Essentially, what is happening is that every single citizen is being put on the spot, forced to decide what he wants. That is the importance of Petah Tikva — unlike Dimona and Kiryat Ata, it is not peripheral, it is central. It is not somebody else's problem, it is ours. If the rot has reached a civilized place like Petah Tikva, then we are all at risk.

Living without street-lights is a massive, instant and meaningful decline in your standard of living. It doesn't need one of those phoney statistics to tell you that. But in order to keep them on, the municipality will need money, which it hasn't got. And nor have the banks or the

government to lend or give it. Therefore something else will have to give. Sooner or later. Once the lights go out, cars will start smashing into lampposts, people will get mugged, there will be assaults, rape and even murder. It will become impossible to venture forth after dark.

Therefore, the citizens of Petah Tikva will choose. Between street-lighting in Petah Tikva; a few kilometres from Kfar Sava, or streets in another town, a few kilometres from Kfar Sava in the other direction. Between street-lights and cheap milk and bread. Between street-lights and free kindergartens. Between street-lights and more telephones, or more yeshivos, or more hospitals, or more tanks, or even more ministers.

But choose he will, and when he and you and all of us have chosen, the message will filter through to the unity creature that is supposed to reflect the will of the people.

THE BEST, and in some respect the only, thing the unity government can do is to force each section of it, each segment of the populace to sacrifice together. Even then, equality and justice will hardly prevail. The poor will, if they are lucky, remain poor, while the rich get richer. Whole townships in the Negev and Galilee will wither. The blight of unemployment will spread throughout the land. Entire industries will collapse, never to recover. Many people will migrate, hardly any will come. Far fewer fortunes will be wiped out than will be made. But this is still the optimistic scenario.

It is optimistic because it assumes that the government can and will function, that the load can and will be spread so as not to fall too heavily on some and not at all on others, that the Americans can and will give us the tools, and that we are capable, having received the wherewithal, of doing the job at hand.

There are, as noted, the glimmers of a more hopeful trend, the initial indications that there is another direction to down. But even in the best case, we will be forced to take the long and hard route, so we had better prepare for what is to come. In our case, travelling hopefully is a necessary but not sufficient condition for arrival. The government must first banish uncertainty and fear, for the basic fact remains that there is nothing to fear so much as fear itself.

The writer is the finance reporter of The Jerusalem Post.

POSTSCRIPTS

THOSE favouring the introduction of civil marriage in Israel may be interested to know that according to certain progressive jurists in Holland this is an outmoded institution which should be outlawed as soon as possible.

In a recent issue of the *Nederland Juristenblad*, the Dutch lawyers' journal, Prof. H. Van Maarseveen, professor of State and Administrative law at the Erasmus University of Rotterdam, and two lesser known jurists point out that an ever-decreasing number of men and women go to the registrar's office to contract a civil marriage in Holland today. They prefer living together without the benefit of such a marriage contract, or in a so-called LAT (Living Apart Together) relation, or

in a commune. The law therefore, should take account of this changing reality, the writers say.

Moreover, obliging a man and woman who want to live as husband and wife to contract a civil marriage is an infringement of one's personal liberty, according to Van Maarseveen. He points out that the fiscal authorities last year decided to tax so-called "two-earners", i.e., an unmarried man and woman living under the same roof, as if they are husband and wife. This he says, amounts to virtual legal recognition of the unmarried couple.

The simplest way to do away with civil marriage, Van Maarseveen claims, is no longer to register after January 1, 1990, so that the institution will die out by itself.

H.B.

IN KREFELD, West Germany, a 68-year-old mother-of-six has admitted poisoning two husbands, one lover, her father and an aunt because they were in her way.

The woman told a West German court recently that she killed her second and third husbands and her lover by feeding them puddings laced with a poisonous herbicide.

The woman said her second husband was obsessed with cleanliness. She got rid of him in 1976 by means of a blueberry pudding mixed with

herbicide. She said her lover, whom she met after her husband's death, had a lot of bad habits and would not move out of her flat when asked to. In 1980, he too was served a poisoned pudding.

Husband number three was too religious, she said. He got his pudding in 1982 because he got on her nerves.

The woman said she had also poisoned her 77-year-old father and a 78-year-old aunt because they were old, ill and a bother.

A PRICELESS Ming dynasty porcelain bowl was recently sold to a Peking antique shop by an old woman who had been using it to feed her chickens. The *China Daily* reports. The "sprinkled blue glaze" piece of porcelain was produced at the famous Jindezhen kilns during the reign of the Ming Emperor Xuande (1426-1435) and is the only one of its kind known to exist in China, the newspaper said.

The aged woman said it was a really tough item which never broke when it was dropped on the ground.

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